



**REGULAR BOARD MEETING  
HAWAII TOURISM AUTHORITY  
Thursday, May 1, 2025, 9:30 a.m.**

**Hybrid In-Person & Virtual Meeting**

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

**MINUTES OF THE REGULAR BOARD MEETING**

**MEMBERS PRESENT:**

Todd Apo (Chair), Mahina Paishon (Vice-Chair) (Zoom), David Arakawa, Stephanie Iona, Mufi Hannemann, James McCully, Lisa Paulson (Zoom), Roy Pfund, James Tokioka (Ex Officio, DBEDT Director), Chris West (Zoom), Mike White

**MEMBER NOT PRESENT:**

Kimberly Agas

**HTA STAFF PRESENT:**

Caroline Anderson, Kalani Ka'anā'anā, Isaac Choy, Talon Kishi, Carole Hagihara, Amalia Kartika, Lindsay Sanborn

**GUESTS:**

Jeffrey Eslinger, Lynn Whitehead, Laci Goshi, Aaron Salā, Ka'ini Aranaydo, Carmela Resuma, Darlene Morikawa, Tyler Gomes, Teri Orton

**LEGAL COUNSEL:**

John Cole

**1. Call to Order**

Chair Apo called the meeting to order at 9:31 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**

Ms. Sanborn conducted the roll call, and members were in attendance apart from Ms. Agas, who had been excused. Members who attended via Zoom were by themselves.

**3. Opening Protocol**

Mr. Ka'anā'anā conducted the opening cultural protocol and acknowledged that it was May Day in Hawai'i. He also announced he would depart from HTA after nine years.

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

**5. Approval of Meeting Minutes of the March 25, 2025, Special Board Meeting and March 27, 2025, Regular Board Meeting**

Mr. McCully proposed the motion to accept the minutes, and it was seconded by a Board member. The motion passed unanimously.

**6. CEO Report**

Ms. Anderson acknowledged Mr. Ka'anā'anā's nearly ten years of service to the Hawai'i Tourism Authority (HTA) and the people of Hawai'i. She recognized his significant contributions to the organization, expressed appreciation for their friendship and his leadership, and affirmed that he would always be welcome at the HTA.

Mr. Ka'anā'anā responded by acknowledging the individuals who had built the visitor industry. He reflected on his initial unfamiliarity with the depth of Aloha fostered by the tourism industry among colleagues, the community, and visitors. He expressed gratitude for the accomplishments of those who had come before him, citing Ms. Keli Wilson, who had shaped the Director of Hawaiian Cultural Affairs role, and noting that he had stood on her shoulders to achieve what had been accomplished to date. He extended his thanks to the staff of the HTA, emphasizing that their work had been indispensable, and stating that the community recognized and appreciated their endeavors, even though they were not thanked as often as they deserved. He also highlighted the valuable feedback from community partners and industry stakeholders, which helped the HTA improve.

When presenting the CEO report for March 2025, Ms. Anderson noted that both the HTA planner and the Hawai'i Island destination manager had commenced their roles during that period. She stated that the HTA was now almost fully staffed and expressed gratitude for the presence of these new team members.

Regarding Brand Marketing, Ms. Anderson reported that efforts had been made to create a dedicated SharePoint site for sharing resources and tools with various markets, stakeholders, and partners. She emphasized the importance of providing resources that the team could interactively utilize.

In the area of planning, she explained that work had focused on drafting requests for proposals (RFPs) for facilitation services to develop the strategic plan, the destination management action plans (DMAPs), and an update to the tourism functional plan. Additional efforts had been directed toward preparing RFPs to develop these plans.

Ms. Anderson observed numerous changes and challenges since becoming Interim CEO. She had been asked to define the organization's forward strategy. In response, she presented a 90-day action plan, which she shared with the Lieutenant Governor, the House Speaker, and Senators DeCoite, Dela Cruz, and Fevella. Ms. Anderson explained that this plan, developed in collaboration with Chair Apo and the HTA leadership team, aimed to address the pressing issues facing the organization with the following seven key goals:

1. Continuing to create and build a collaborative and cohesive team that would communicate and coordinate to work together efficiently;
2. Reducing overdue invoices by 100% by May 15, 2025;
3. Identifying contractor issues by May 15, 2025;
4. Ensuring that HTA staff would review, upload, and follow all policies and procedures by the end of July, 2025;
5. Improving Board work and efficiency;
6. Ensuring effective tourism policy development by setting clear directions while empowering staff to implement the annual strategic tourism management plan under the budget;
7. Filling the following open positions by July 1, 2025:
  - Public Affairs Officer
  - Brand Manager for the Stewardship team
  - Chief Stewardship Officer

Ms. Anderson added that the three major areas of focus in implementing the above seven objectives during the next 90 days, with both the Board and staff, were to be as follows:

1. Stabilization of leadership and organizational structure

- Developing structures, roles/duties, and expectations within the interim period;
- Evaluating and resetting team structure;
- Evaluating workloads and resetting assignments, developing clear deadlines, and monitoring processes and responsibilities;
- Identifying any missing roles/skills, such as creation of contract management standards and processes;
- Setting intra-team dynamics – trust, communication, collaboration, common goals – the only way to achieve aims and to show the industry and the community that they exist to serve them and have great programs that are well-executed;
- Strengthening individual team member goal setting, performance evaluation, and workplace environment.

In reply to Mr. Arakawa's question, Ms. Anderson stated that her presentation would be distributed to Board members later.

### 2. Strengthening of strategic communications;

- Identifying and communicating economic and community benefits of the work of the HTA and the State's financial support of the HTA;
- Establishing a specific plan for communication with the legislature and the Governor's office;
- Creating a broader understanding of the role, goals, and operations of the HTA.

### 3. Improving the Board and working with Board leadership;

- Resetting Board member roles, duties, and expectations;
- Establishing intra-Board relations;
- Establishing Board/staff relations, including communication expectations;
- Considering consolidation and efficiencies of Board committees and identifying committee/Board meeting efficiencies;
- Identifying necessary and/or beneficial Board training.

Ms. Anderson concluded the CEO report, and Chair Apo requested questions or comments from Board members.

Mr. Arakawa congratulated Ms. Anderson on the presentation graphics and inquired whether the recommendations were already finalized or if they would be sent to the Administrative and Audit Standing Committee (AASC) for review and subsequent recommendation to the Board.

Ms. Anderson responded that, having been asked by a senator about her action plan for the agency, she had developed the plan in collaboration with the HTA leadership team and the Board Chair.

Mr. Arakawa asked whether the senator had asked Ms. Anderson to refrain from discussing the plan with the Board. Ms. Anderson replied that the senator had inquired about her plan, which she had provided as her response.

As Ms. Anderson mentioned, the Chair confirmed that copies of the plan would be distributed to all Board members. He explained that the AASC was welcome to review either the entire plan or specific sections, make recommendations, or discuss key portions with Ms. Anderson. He pointed out that this plan was not an action item for the Board.

Mr. Arakawa expressed his agreement with the plan, stating that he considered it crucial for the future of the HTA and emphasizing the importance of effective communication.

Chair Apo remarked that he would expect any individual serving in the CEO position, whether interim or permanent, to establish a strategic plan. He acknowledged the significance of Ms. Anderson's efforts in developing and presenting the plan to the Board while ensuring that the AASC had the opportunity to deliberate on pertinent issues. He characterized this as an appropriate initial step and assured Board members that any necessary discussions or refinements would be conducted transparently.

Mr. Arakawa appreciated Chair Apo's perspective regarding potential future actions associated with the presentation.

Chair Apo invited additional questions and extended his thanks to Ms. Anderson.

## **7. Board Chair Report**

Chair Apo pointed out he had annotated agenda items with proposed times as part of an initiative to enhance efficiency. He clarified that these were not rigid time constraints but guidelines for Board members, which were developed in collaboration with Ms. Anderson and staff during the agenda development. Estimated time allocations had been suggested based on the content to be presented and the types of questions that might arise. The Chair encouraged committee chairs to adopt a similar approach by consulting with staff and setting provisional timeframes. He repeated that these were not definitive deadlines.

Chair Apo added that he had engaged in discussions with HTA staff and external partners, contractors, and stakeholders to explore ways to improve the efficiency of Board and Committee meetings. His first observation had been that contractors often had to deliver a presentation to several committees before making the same presentation to the Board. The Chair emphasized the importance of attributing substance to committee meetings and hoped to develop a method by which contractors could make a single presentation while ensuring that all Board members would have access to a presentation recording.

Chair Apo proposed that the issue could subsequently be introduced to the Board once a presentation had been delivered to a committee. Board members would be responsible for viewing the recording before the Board meeting to prevent unnecessary repetition at the Board level. However, the contractor would still be present at the meeting to answer questions, provide supplemental information, and discuss any developments following the committee discussion. The Chair hoped that progress on these issues could begin immediately, acknowledging that this approach might require Board members to complete some preliminary work by watching recorded presentations. Nonetheless, he believed that, ultimately, this process would save time for both the Board and the contractors involved.

Chair Apo invited feedback about implementing these changes and noted that while he aimed to improve efficiency, he was concerned that information should not be lost in the process and cautioned against any shortcuts that might diminish interactions.

Secondly, the Chair proposed an efficiency initiative regarding the Board information packet, which often consisted of 150 pages or more, making it challenging to review. He expressed his intention to work with Ms. Anderson and staff to structure the Board packet to contain ten essential pages summarizing key information, followed by 100 pages of appendix materials. This arrangement would ensure that additional details remained available to those who wished to delve deeper, allowing Board members to review the primary content quickly. He acknowledged that expecting Board members to read more than 150 pages each month thoroughly might not be the most efficient or effective approach.

Thirdly, Chair Apo expressed gratitude to Mr. Hannemann for carrying the responsibility of representing the HTA within the community and asked whether any Board members were interested in such representation at community events. The Chair mentioned that he had delivered a brief presentation at Climb-HAI's LEI program on O'ahu and in Hilo, while staff had conducted presentations in Kona and Kaua'i. He encouraged Board members to notify him or Ms. Anderson if they wished to participate in such opportunities.

Additionally, the Chair noted that the HTA might contact Board members residing on neighbor islands regarding events scheduled in their respective locations, even if they had not proactively

volunteered. Board members would have the option to collaborate with HTA staff or to assume representation responsibilities independently.

He added that similar considerations applied to other events where the HTA's presence was beneficial. He reiterated Ms. Anderson's emphasis on the importance of effective communication and that Board members should understand how best to present themselves as representatives of the HTA, noting that active participation in events was one way to achieve this objective.

Finally, Chair Apo addressed the issue of Senate Bill 1571, acknowledging that all members were familiar with it. He stated that its implementation remained uncertain until it had passed the final vote and received approval from the Governor's office to become law. In the meantime, efforts were underway to analyze the bill's implications for the HTA and to assess the impact of the resulting changes. He expressed appreciation for Dir. Tokioka's initiative in instituting formal communication with AG Cole and the office of the Attorney General to obtain their perspective on how the bill would affect HTA operations.

Chair Apo outlined plans to draft several foundational and situational questions before the next Board meeting on May 29, 2025, to facilitate Board discussions on the matter. This process would also identify additional questions that Board and staff members wished to pose, allowing for a second round of inquiries to the Attorney General's office to refine certain details. He noted that discussions would also occur with the Governor's office, particularly since this office would now direct the CEO selection process, and the CEO would report directly to the Governor. Furthermore, efforts would be made to obtain a clear understanding of the bill's intent from members of the legislature.

Chair Apo concluded by explaining that his purpose in providing this information was to ensure transparency regarding ongoing efforts, rather than to present immediate answers. He assured members that the Board would have further opportunities for discussion.

Mr. Hannemann expressed his appreciation for the report. He noted that while efforts to identify efficiencies were ongoing, it was important to recognize that the HTA remained significantly understaffed, and this might result in greater efficiency taking longer than expected to achieve, particularly following the departure of Mr. Ka'anā'anā. Mr. Hanneman conveyed his appreciation for Chair Apo's remarks about upcoming legislation, stating that it was always valuable to examine legislative intent in depth, while remaining conscious of the administration's prerogative to refuse to implement measures approved by the legislature.

Mr. Hannemann emphasized the necessity of close monitoring and attempting to understand the HTA's future expectations, while recognizing the great advantage of a \$63 million recurrent

base budget. While seeking additional funding, the HTA had been affected by developments surrounding SB§1571. Mr. Hannemann noted that a review of the Attorney General's opinion would give a clearer picture, along with an assessment of the Governor's intentions, while collaborating with the legislature, and considering their perspective on the HTA.

Referring to the earlier discussion regarding the 150-page Board information packet, Mr. Choy asked whether the material could be provided in digital format rather than printed to reduce expenses and processing time.

Chair Apo agreed that such a change would result in savings on both fronts.

Dir. Tokioka referred to the legislature's practice of some representatives and senators preferring hard copies. He stated that while Mr. Choy's proposal was commendable, certain Board members might also prefer physical copies, and thus, a hybrid approach might be more appropriate.

Chair Apo proposed that the default assumption would be to provide the information digitally, but members who preferred hard copies could request printed versions, provided they gave staff sufficient notice.

In reference to efficiency efforts, Mr. Arakawa mentioned that the Budget, Finance, and Contracts Committee (BFCC) sometimes prepared a half-page summary that could be incorporated into the ten-page document. He suggested including such summaries would enable Board members to review key information more effectively.

Chair Apo expressed his hope that Board members would refrain from referring to him as "Chair," explaining that he found titles unnecessary and preferred to be addressed as Todd. He stated that his recommendations were intended to foster collaboration among Board members, staff, and contractors. He added that he had asked some contractors not to use his formal title and proposed that, unless anyone objected, all members should refer to one another by their first names.

Mr. McCully thanked Chair Apo and referred to Mr. Choy's cost-saving suggestion, humorously remarking that individuals of Scottish heritage shared the Chinese emphasis on frugality. He then asked whether the proposal implied that full paper copies would no longer be distributed in the future, and whether those opting to use laptops would no longer receive printed versions.

Chair Apo confirmed this approach, stating that unless objections were raised, staff would distribute the electronic version by default at the next Board meeting, while those who preferred hard copies could request them.

Mr. McCully preferred to maintain printed copies as the default option unless Board members specifically opted out.

Chair Apo agreed, stating that when staff distributed the agenda, members who did not wish to receive a hard copy could notify staff accordingly, allowing an assessment of the effectiveness of this arrangement.

Dir. Tokioka acknowledged Chair Apo's humility but noted that, within the City Council and the legislature, formal titles were an institutional standard and reflected respect for the institution. While he understood Chair Apo's perspective, he stated that he could not comply with the request.

Chair Apo responded that he understood.

#### **8. Report and/or Action by the LEGISLATIVE PERMITTED INTERACTION GROUP**

Chair Apo noted that final votes were still pending at the Capitol, though their outcomes were anticipated. He acknowledged that the HTA had tracked a number of bills since the beginning of the legislative session and expressed gratitude to those present and others outside the room, who had contributed significantly throughout the process. He commended the extensive efforts made by numerous individuals, recognizing that many discussions had taken place regarding legislative measures related to the HTA, both from an administrative and a budgetary perspective.

Chair Apo stated that four of the bills that they had been tracking were expected to pass:

- **SP583**—This bill would allow for a certain level of naming rights, and the HTA welcomed it because it would present an opportunity to generate additional revenue for the Hawai'i Convention Center (HCC). However, there were issues relating to the implementation of exterior signage.
- **SP1396** – This legislation proposed a three-quarter percent increase in the Transient Accommodations Tax (TAT), specifying three areas for which the funds would be allocated. The Governor would be required to submit a budget detailing the use of these funds. One of these areas would be a focus for the HTA since it pertained to visitor industry-related infrastructure. Chair Apo noted that the HTA was to collaborate with the Governor's office to gain insight into the decision-making process and explore ways for both the HTA and the visitor industry to provide input.
- **SP1536** – This bill concerned the HTA's compensation structure and was expected to pass. Chair Apo explained that its enactment would enable the HTA to finalize

compensation packages for a permanent CEO and proceed with the CEO recruitment process.

- **SP1571** – Since this bill had been discussed briefly, Chair Apo did not elaborate further.

Chair Apo invited questions or comments from HTA staff and Board members.

Mr. Hannemann commended Ms. Anderson for stepping into a challenging situation on short notice, praising her for drafting the proposed 90-day plan and noting that members of both legislative chambers had inquired about this plan. He emphasized that while the Board retained the ability to amend or revise portions of the plan, it provided a foundation they could build.

Board members or online participants raised no further questions or comments.

## **9. Report and Update by the BUDGET, FINANCE, AND CONVENTION CENTER STANDING COMMITTEE**

The Chair of the Budget, Finance, and Convention Center Standing Committee (BFCCSC), Mr. Arakawa, stated that the committee had held detailed discussions on the issues in the present agenda item, and he would provide a summary of each.

### **a. Motion, Presentation, Discussion, and Action on the Hawai'i Tourism Authority's (HTA) February 2025 and March 2025 Financial Reports; Recommend Approval**

Mr. Arakawa proposed a motion to approve the HTA's February 2025 and March 2025 Financial Reports, and Mr. White seconded the motion.

Mr. Arakawa reminded the Board members that the BFCCSC had already vetted both financial statements.

The HTA Budget and Fiscal Officer, Mr. Talon Kishi, introduced himself and stated that he would present the HTA financial situation as of March 31, 2025. As of that date, \$23.256 million had been used from the tourism budget, with an encumbrance balance of \$27.299 million and an unused balance of \$12.443 million. Mr. Kishi added that, after speaking with HTA staff, he believed that the HTA was on course to utilize the entire \$63 million budget before the end of the fiscal year.

Mr. Kishi presented a slide showing the details of each type of sporting event sponsored in the sports and signature events budget category. He also presented a pie chart showing the portion of the budget allocated to each category and bar charts comparing the fiscal year (FY) 24 and 25 budgets.

Mr. Kishi stated that the entire \$34.1 million FY25 budget for the Hawai'i Convention Center (HCC) had been used, and he apologized for the erroneous entry for the

marketing budget in the table, which was to be \$1,603,300 and not the \$28.1 million shown.

Mr. Kishi explained that the FY24 General Funds had a balance of \$341,000. He reminded Board members that the Tourism Special Fund, which had been repealed on January 1, 2022, had a cash balance of \$8.362 million and an encumbrance balance of \$572,000. He added that the difference of approximately \$7 million was to be lapsed and returned to the general fund; he hoped to execute that transfer by the end of the fiscal year.

Mr. Kishi presented a summary of the Maui Response and Recovery Plan funded from the Tourism Emergency Special Fund, pointing out that all outstanding amounts had been paid out, while the encumbrance balance of \$6,000 shown in the tabulation was an issue of timing. He expected that everything would have been paid out by the end of April.

Regarding the EDA-ARPA State Tourism Grants, Mr. Kishi stated that \$5.823 million had been spent to date, with an encumbrance balance of \$5.376 million, leaving a fund balance of \$8.2 million. He reminded Board members that this grant must be executed by May 31, 2027, and all final payments would be completed by September 30, 2027.

Mr. Kishi stated that the HCC FY24 funds had a balance of \$2.078 million while the HCC Enterprise Special Fund had a cash balance of \$30.753 million, \$11 million of which was to be returned to the Department of Budget and Finance (B&F) in FY26. Mr. Kishi also gave details of the funds allocated for the rooftop repair project.

Chair Apo referred to Mr. Kishi's comment that the HTA could spend the entire \$63 million budget and asked how that could be reconciled with the 10% withholding ordered by the Governor.

Mr. Kishi apologized for his error and explained that, for now, the HTA could spend most of the \$63 million since the Governor had released the withheld \$6.3 million. This amount had been originally intended for the Maui Emergency Plan, but the HTA could spend only \$3.9 million for that purpose. Staff had drafted a memorandum to B&F to devise a method of using the remaining \$2.3 million for alternative purposes.

When Chair Apo asked about the HTA's inability to spend the entire \$6.3 million, Mr. Kishi confirmed that the Program IDs were the cause.

Mr. Arakawa expressed his appreciation for Chair Apo's point and explained that the \$2.3 million that could not be used for the Maui plan would have to be spent in the same Program ID for which the funds had originally been allocated.

Mr. Choy asked whether this was an example of a presentation that did not need to be repeated at the Board meeting, but details of which could be provided in the information packet, given that this discussion had already taken place in the BFCCSC meeting, since the entire presentation duplicated that given in the BFCCSC meeting.

Chair Apo responded that if it were possible to ask Board members to consult the video record, from minute X to minute Y, some time could be saved at Board meetings.

Mr. Arakawa invited questions and comments from Board members and online participants, but there were none. He then asked for abstentions or objections from Board members to approve the February and March 2025 reports. Hearing none, he reported to Chair Apo that the report was approved.

**b. Motion, Presentation, Discussion, and Action on the Hawai'i Convention Center's (HCC) February 2025 and March 2025 Financial Report and Update on the HCC's 6-Year Repair and Maintenance Plan; Recommend Approval**

Mr. Arakawa proposed a motion to approve the HCC's February 2025 and March 2025 Financial Report and Update on the HCC's 6-Year Repair and Maintenance Plan. Mr. McCully seconded the motion.

Mr. Arakawa introduced Ms. Teri Orton, the HCC General Manager, and noted that these presentations would be on video in the future.

Mr. McCully asked if Ms. Orton's monthly reports would be limited to a YouTube referral and reminded Mr. Arakawa that the outstanding visuals of these presentations were a high point of the Board meetings.

Mr. Arakawa responded that if this were the case, progress would be slightly slower by popular demand.

Ms. Orton greeted Board members and presented the report for March 2025. She explained that, historically, March had always been a particularly busy month, and this year had not been an exception. The Center hosted 25 events, exceeding the budgeted number by one, and it also hosted the second consecutive annual citywide gathering of the National Defense and Industrial Association (NDIA). Several public events had also returned, including Kawaii Kon, the Honolulu Festival, Hōkūle'a's 50<sup>th</sup> Anniversary Gala Dinner, three sporting events, and numerous local gatherings. Over 67,000 guests had attended events at the Center during March.

The total facility revenue for the month amounted to \$2.5 million, surpassing the budgeted \$519,000, with a posted net income of \$317,200, almost half a million more

than originally anticipated. The improvement was primarily attributed to the NDIA event, and Ms. Orton expressed gratitude to the citywide team for securing it. Food and beverage sales had generated \$200,000 more than expected, marking an increase of \$200,000 compared to the previous year.

Ms. Orton stated that efforts were ongoing to improve the year-end forecast. The HCC anticipated ending the fiscal year with a net loss of \$1.2 million, representing an approximately \$2 million improvement over the budgeted deficit of \$3.2 million. Confidence remained high, with six more citywide events scheduled between April and June, which contributed to a particularly busy period. The Pediatric Society event had just concluded, and Immunology 2025 was set to begin that day. The month of May was expected to bring large groups through the facility, with hopes that revenue would continue to increase and bring the Center closer to the breakeven point, requiring only \$1.2 million to be recovered. Expenses were closely monitored, and strategies were developed to generate additional revenue from the remaining events.

Ms. Orton directed the Board members' attention to the summary of return on investment (ROI), noting that as of March 2025, \$11.36 had been returned to the state for every dollar spent at the HCC. To date in FY25, 12 citywide events have been held.

Mr. Arakawa observed that certain slides had been updated and now differed from those in the information packet. He asked Ms. Orton to ensure that the packet would be updated accordingly.

Ms. Orton reported that the 18 citywide events scheduled for FY25 through the end of June were expected to contribute \$388 million in economic impact, with total tax generation estimated at approximately \$45 million. She reminded members that citywide business constituted offshore revenue for the convention Center.

Ms. Orton highlighted several recent events, including the Entrepreneurs' Organization 2025 Global Leadership Conference, the 22<sup>nd</sup> International Hawai'i Summit on Preventing, Assessing, and Treating Trauma Across the Lifespan (IVAT), and the second Honolulu Open Pickleball Tournament, which had attracted an estimated 1,000 registered players and thousands of spectators, 20% of whom had traveled from out of state.

Ms. Orton reported that the Pediatric Academic Societies Annual Conference had recently concluded, drawing a record-breaking 8,700 participants, including 1,800 international attendees. A post-event meeting had been held between HCC staff and the event's planners, with overwhelmingly positive feedback. She noted that

Immunology 2025 was to commence that day, bringing in approximately 3,300 participants. As soon as that conference ended, the International Society for Magnetic Resonance in Medicine (ISMRM), a repeat group, would hold its Scientific Meeting and Exhibition. Ms. Orton reiterated that May was expected to be an exceptionally busy month, with consecutive citywide meetings interspersed with local events. She acknowledged the commitment of HCC staff in managing the packed schedule.

Ms. Orton presented the following summary of the last three months of the fiscal year:

Month	Number of local events	Number of citywide events
April 2025	26	2
May 2025	23	3
June 2025	15	1

Ms. Orton added that 514 legacy trees had been planted under the HCC carbon offset program, representing a total offset of 496.58 cubic meters of CO<sub>2</sub>.

In response to Chair Apo's question, Ms. Orton explained that the budget forecast was recalculated monthly using updated data.

There were no further questions, and Ms. Orton handed over the floor to Ms. Mari Tait, the HCC Director of Operations.

Ms. Tait greeted Board members and provided updates on ongoing projects. She noted that the largest initiative was the rooftop terrace project and invited Mr. Choy to share further details.

Mr. Choy stated that he could not provide extensive information but confirmed that bids were due May 12, 2025. He informed members that the HCC would operate on a modified schedule during 2026 and 2027. He urged members not to request special exceptions to halt construction during this period, explaining that it would not be feasible to approve some requests while denying others. He emphasized that adhering to the construction schedule was the top priority, as disruptions would be prohibitively costly, and repeated his advice against submitting requests for temporary pauses in construction.

Mr. Choy affirmed that the project remained on schedule but noted that its budget status would only be confirmed once bids were received on May 12, 2025.

Ms. Tait thanked Mr. Choy and presented photos of several ongoing projects. She expressed enthusiasm for the upcoming Papaheenu Exhibit, which would showcase the history of surfing. She reported that 14 custom-made surfboards were being

prepared for the exhibit on the third floor. Ms. Tait highlighted the installation of a new ADA-compliant wheelchair lift to access Theatre 320. She also reported that exterior painting of the building was progressing well, sharing before-and-after images that emphasized significant improvement.

Ms. Tait then presented a list of current projects, confirming that each was an active undertaking, either in progress, in the contracting process, or under procurement.

The subsequent slide provided an overview of major projects, followed by a six-year financial plan outlining priority projects and a list of completed initiatives since 2020.

Board members or online participants raised no questions.

Mr. Arakawa invited objections or abstentions from Board members. Hearing none, the two reports were officially approved.

Chair Apo expressed his thanks to Ms. Orton and Ms. Tait.

## **10. Report and Update by the HO'OKAHUA HAWAI'I STANDING COMMITTEE**

### **a. Update on the L.A. Rams 2025 Program**

As Chair of the Ho'okahua Hawai'i Standing Committee, Vice Chair Paishon explained that no actions were expected, but a formal announcement about the Rams' contract was to be made the following week. She added that Board members and the public would be kept informed.

Vice Chair Paishon thanked Mr. Ka'anā'anā for his tireless efforts and leadership during his nine years at the HTA. She pointed out that Mr. Ka'anā'anā had a vital role in advancing destination stewardship, planning, and management, alongside Ms. Anderson and other team members. Looking forward to further progress and refinements, the Vice Chair expressed her pride in the HTA's progress towards better destination stewardship and management. She thanked Mr. Ka'anā'anā, Ms. Anderson, and all the team members who had bolstered this initiative.

Vice Chair Paishon asked Ms. Anderson to make the presentation for Agenda Item #10b.

### **b. Discussion and/or Action on the Timeline and Objectives for the Hawai'i Tourism Authority's Strategic Tourism Plan**

Ms. Anderson stated that the timeline objectives for the HTA Strategic Tourism Plan had been established as part of HRS§201B-7, which stated that

“The HTA shall be responsible for creating a vision and developing a long-range strategic plan for tourism in Hawai‘i.”

An RFP had been issued for the development of this plan, with bids expected by the end of May 2025. A selection was scheduled for June 2025, and the development of the HTA Strategic Plan was expected to commence at the end of June or the beginning of July 2025.

Ms. Anderson presented a graphic illustrating all the plans to be undertaken throughout the year and noted that the Strategic Plan had been designated as a five-year plan.

In reply to a question from Chair Apo, Ms. Anderson responded that the duration could be modified.

Chair Apo remarked that it was worth considering a change of duration, noting that landscapes evolved over time and that a strategic plan developed for five years might not necessarily remain relevant by the end of that period.

Ms. Anderson stated that the first priority would be to ensure that a collective vision for Hawai‘i tourism guided all plans. She explained that a consultant was to be hired and would act as a facilitator to develop a shared vision upon which all stakeholders could agree as they worked together to advance tourism in Hawai‘i. She emphasized that the collective vision would inform the HTA Strategic Plan, the DMAPs, and the annual Strategic Tourism Management Plan, while also aligning with the State Tourism Functional Plan.

Ms. Anderson set out the following components of the strategic plan:

- Situational analysis to put their mission and values in context with current tourism trends and statistics;
- Identification of goals, objectives, and strategic choices ;
- Data-driven guidance to invest in assets and programs benefiting residents, the local workforce, and visitors;
- Collective vision;
- Identification of key performance indicators;
- Targets and milestones.

Ms. Anderson added that, moving forward, the team would examine:

- The mission of the HTA and its continued relevance;

- The vision for Hawai'i's tourism;
- Progress already made on objectives that further our vision for destination branding, regenerative tourism, and destination management;
- Programmatic actions aligned to our mission and their progress ;
- Partnerships and coordination are needed in the service of the objectives and actions ;
- Consideration of the HTA Governance Study Recommendations ;
- Positioning of the Hawaiian islands in the globally competitive market:
  - Leisure vs meetings, conventions, & incentives;
- Alignment with destination management and regenerative tourism best practices.

Ms. Anderson added that sessions with HTA staff and Board members would be held to seek input and guidance.

In reply to Mr. Arakawa's question about whether this strategic plan would be the same as the previous strategic plans, Ms. Anderson stated that this would depend on the consultant's suggestions. She noted that the RFP had already been issued, but the HTA leadership intended to hold strategic planning meetings with the staff and the Board to obtain input and feedback from industry and community members.

Vice Chair Paishon confirmed that this had been discussed at a tourism meeting in Pres. Kouchi's conference room, in which she believed that Mr. Arakawa and other Board members had taken part. The outline of this plan was to go out to all the DMAP managers, who were also in the room. Clarifying what had been suggested on Tourism Day, the Vice Chair explained that the strategic idea was that discussions would take place at the same time on every island instead of five different meetings dealing with four different plans. The DMAP managers would be in charge of making the presentation, guided by the RFP consultant, with questions to be provided.

Vice Chair Paishon stated that industry leaders such as Mr. Keith Vieira and Mr. Fred Atkins, along with members of the HTA Board, had been part of the discussion. She explained that the intention was to discuss collectively and produce a complete plan that could be presented to the legislature before the next legislative session.

Mr. Hannemann emphasized the importance of workforce development, noting that the Department of Business, Economic Development & Tourism (DBEDT) and the HTA

actively worked on initiatives in this area. He referred to the prioritization of workforce development by the Chamber of Commerce, given that tourism remained the leading industry in Hawai'i and was expected to continue holding that position in the foreseeable future. He stressed the need to prepare a strategic workforce capable of effectively filling key employment positions. He noted that this objective aligned with the State's efforts to strengthen the Tourism Industry Management (TIM) School and restore it to its former status as the world's premier institution for hospitality training.

Ms. Anderson invited comments or questions.

Dir. Tokioka asked about hiring a consultant and inquired whether a specific budget had been allocated for the hire. He cited concerns that government entities such as the HTA often spent excessive amounts on consultants.

Ms. Anderson responded that the RFP amount had been budgeted, though she was unaware of the exact figure.

Dir. Tokioka asked Ms. Anderson to share the amount before the Board's vote, stating that if the cost was particularly high, it might influence his decision. He expressed his belief that this was a reasonable request.

Mr. McCully asked Mr. Kishi if he knew the amount that had been allocated and added that, given the most recent performance audit, a forensic review could lead to an internal analysis and an internal planning process. He pointed out that blueprints from the 2018 and 2024 performance audits were available for reference.

Ms. Anderson stated that neither she nor Mr. Kishi knew the specific budgeted amount for facilitation services. However, she asked the Board to recognize that the company selected for facilitation would play a statewide role in multiple plans and would incorporate feedback from a range of sources and regions. She explained that additional community meetings would be held, and the facilitator would gather more data. Ms. Anderson offered to share the scope of work that had been commissioned.

Vice Chair Paishon requested that Ms. Anderson, Mr. Kishi, or Mr. Choy email the Board with the budgeted amount, and Ms. Anderson agreed to do so, stating that she could provide similar details for all issued RFPs.

Mr. McCully asked Ms. Anderson to append the scope of work for each RFP, regardless of whether it was a draft or the final version. Ms. Anderson sought clarification, asking whether he specifically referred to the facilitator's work scope for the RFP.

Mr. McCully confirmed that he was referring to the scope of work for the facilitator rather than the content of the report itself. Ms. Anderson explained that these were components of the strategic plan.

Mr. McCully elaborated that the consultant was contracted to provide services outlined in the scope of work. He asked whether the provided scope was a draft or the final version.

Ms. Anderson confirmed that the scope was the definitive version of the RFP, which had been issued a few weeks previously.

Mr. Arakawa asked whether the facilitator's services would involve composing the report or merely organizing the meetings.

Ms. Anderson clarified that the facilitation team would not be responsible for drafting the report but would collect information from the meetings. She added that they were also considering conducting a survey. The facilitator would write up notes from the meetings, which would be shared with the teams preparing the DMAPs and the Strategic Tourism Plan. Ms. Anderson added that the consultant's role would be providing facilitation services and documenting discussions from the facilitation meetings.

Mr. Arakawa asked whether the funding for these services was included in the FY25/26 budget, which ends June 30, 2025, or whether it was part of the recently approved FY26 budget. Ms. Anderson confirmed that the funds were allocated within the FY25 budget.

Mr. Arakawa responded that, in that case, the contract should be awarded before June 30, 2025, and Ms. Anderson confirmed that the contract was expected to be awarded before that date.

Chair Apo asked whether this was an action item requiring a vote.

Ms. Anderson responded that the item had been defined as an action item to secure Board approval for the components of the Strategic Plan and the DMAPs.

Dir. Tokioka reiterated that he wished to know the exact amount allocated for the expenditure before casting his vote, and Ms. Anderson asked whether members preferred to go into recess so that she could retrieve the financial information.

Dir. Tokioka suggested moving the item to the end of the agenda to allow time for locating the budgeted amount.

Chair Apo reminded the Board members that there were two distinct issues at hand: the first concerned the Board's approval of the Strategic Plan components, while the second pertained to the cost of the facilitator for this process. He noted that the second issue did not necessarily require Board approval, as it was part of the already approved budget. However, he acknowledged Dir. Tokioka's concern is that Board members should fully understand the consultant's cost before proceeding with the selection process under the RFP.

Dir. Tokioka confirmed that the Chair had accurately stated his position and remarked that State policy for RFPs required that the budgeted amount be disclosed within the proposal so bidders would be aware of the financial scope. He stated that retrieving the figure should not be difficult. While he did not wish to prolong the discussion, he was aware that the public was likely to scrutinize the Board's decisions.

Chair Apo reiterated that the Board needed to address two separate concerns: the approval of the Strategic Plan components and the budget associated with the RFP.

Expanding upon his earlier inquiry regarding the scope of work, Mr. McCully emphasized that the project should be conducted considering the most recent audit findings. Chair Apo reaffirmed this concern, stating that the HTA needed to incorporate lessons from the audit and ensure they were fully integrated into the strategic planning process.

Mr. McCully repeated that the auditors' report was a significant factor in the discussion.

Ms. Anderson explained that the Strategic Plan component had initially been presented to the HHSC in March and was scheduled for Board review during the same month, but this review had been deferred. She reminded Board members that it had already been agreed that targets and milestones needed to be established in the future Strategic Plans. She emphasized that the current approach differed from previous strategic plans, as it aimed to apply lessons learned and focus on actionable improvements.

Dir. Tokioka pointed out that if the plan had already been discussed in HHSC, then Board members should already be familiar with it.

Vice Chair Paishon reminded Board members of the importance of retrieving the requested financial information.

Chair Apo responded that Mr. Choy had located some relevant figures, and Mr. Choy reported that Item 10b was budgeted at \$105,000, while Item 10c was set at \$400,000.

Dir. Tokioka remarked that the total came to approximately half a million dollars.

Chair Apo sought clarification on whether these figures represented the entire project or solely the consultant's fees and proposed moving on to the next item on the agenda.

*Inaudible discussions followed.*

**c. Discussion and/or Action on the Timeline and Objectives for the Hawai'i Tourism Authority's Destination Management Action Plans**

Ms. Anderson reminded the Board members that the DMAPs would be developed in response to legislative requirements. She appreciated the legislature's commitment to destination management, acknowledging their role in incorporating these plans into HRS§201B-6.4 the previous year. She noted that the legislature recognized the importance of implementing DMAPs in collaboration with various State, County, and community agencies.

In discussing the DMAPs, she explained that they would be structured around a collective vision, which would serve as the guiding framework for all subsequent plans.

Ms. Anderson listed the following components of each of the HTA DMAPs:

- Situational analysis in context with current tourism trends, statistics, and destination management issues;
- Identification of goals, objectives, responsible entity(s) and actions;
- Data-driven guidance to invest in assets and projects benefiting residents, the local workforce, community-based organizations, and visitors;
- Identification of key performance indicators;
- Targets and milestones.

In addition, Ms. Anderson noted that the team would assess the following:

- Past DMAP efforts relating to destination management  
Ms. Anderson noted that previous iterations of the DMAPs had been very broad, but both their own and third-party evaluations showed that a focus on specific destination management projects and issues was preferable, so the present version was to be more narrowly focused.
- Current hotspots list;
- Current destination stewardship efforts;
- Inter-agency partnership and coordination needs in service of the objectives and actions;

- Alignment with destination management and regenerative tourism best practices;
- Opportunities for integration of 'Ōlelo Hawai'i support in facilitation and/or other deliverables;

Ms. Anderson asked for questions or comments from Board members.

Chair Apo asked Ms. Anderson and Vice Chair Paishon what they expected from the Board regarding actions regarding Agenda Items #10b and 10c.

Ms. Anderson responded that they sought Board approval of the components of the Strategic Plan and the DMAPs, along with recommendations for additional elements as both plans continued to be developed.

Vice Chair Paishon highlighted the cost-effectiveness of the proposed approach to reconciling data planning efforts, explaining that this method would help mitigate and minimize survey fatigue among stakeholders invited to provide input. By consolidating efforts, stakeholders would not need to repeat the same information across multiple meetings planned with destination stewardship managers, HVCB, CNHA, and other partners. The Vice Chair emphasized that a coordinated approach would reduce costs while ensuring that input informed the three separate plans and identified connections among them. She noted that this was essential for achieving a cohesive overall strategy aligning with the charge and vision of the HTA moving forward. She further acknowledged that Mr. Arakawa and Dir. Tokioka had underscored the importance of adhering to procurement timelines, reiterating her belief that this approach represented a strategic and cost-efficient approach to consolidated planning.

In light of the comments from Board members, particularly regarding the relevance of the performance audit findings to the planning process, Chair Apo proposed that Agenda Items #11b and 11c be temporarily put on hold in favor of moving to Agenda Item #12. He explained that following the discussion on the performance audit, the Board would be better positioned to integrate all relevant input and make a more informed decision regarding approval of the two action items relating to the strategic plan and the DMAPs.

He then called for a recess, noting that testifiers were present online and ready to contribute to Agenda Item #12. He informed Board members that upon returning from recess, they would hear the testimonies before beginning the presentation and Board discussion on the performance audit.

## **12. Discussion on the Audit of the Hawai'i Tourism Authority's Destination Management Action Plans**

Chair Apo called the meeting back to order and proceeded to Agenda Item #12, concerning the performance audit of the DMAPs. He stated that the first testimony was to be received online and reminded Board members that public testimony would be limited to five minutes per agenda item.

**Ms. Sue Kano**ho, Managing Director of Island Chapters at the Hawai'i Visitors and Convention Bureau (HVCB), greeted Board members and extended her wishes for a happy Lei Day. She expressed her gratitude for the opportunity to comment on the DMAPs and acknowledged the importance of dedicated management positions for each island. She reminded Board members that DMAP had been initiated during the COVID-19 pandemic and added that, given the available resources, the team had made the best possible effort despite starting from scratch. She believed their work had been commendable in emphasizing the importance of balancing tourism while engaging with the community to identify effective measures and areas requiring improvement. She recognized that a dedicated individual was now available to address these issues for each island.

Ms. Kano

ho described Kaua'i's efforts to address problems created by the film industry, specifically regarding unauthorized access to sacred sites. A meeting had been convened with the Department of Land and Natural Resources (DLNR) to educate film industry personnel in Hawai'i on practices aligned with cultural values. As a result, illegal activities have been significantly reduced. Similarly, concerns in the wedding industry regarding beach access had been addressed through discussions on culturally appropriate practices, as the situation had become increasingly problematic. Ms. Kanoho noted that it was important to improve the management of tourism hotspots. She reported that a wildlife summit had been conducted to provide valuable guidance to the visitor industry on appropriate interactions with local wildlife. A Makali'i group had also been established to support cultural initiatives in Kaua'i. She expressed special appreciation to Mr. Ka'anā'anā for his contributions as he transitioned to a new role and to Ms. Anderson for her work. She further acknowledged the support of the HTA Board and the State legislature for the DMAP, highlighting its significance for the future of tourism.

Chair Apo invited questions from Board members and thanked Ms. Kano

ho for her contribution.

**Ms. Nalani Brun**, Director of the Office of Economic Development for Kaua'i County, greeted the Board members and expressed appreciation for Mr. Ka'anā'anā and Ms. Anderson, whom she described as exemplary partners over many years. She conveyed her gratitude for the

opportunity to speak in response to the recent audit, specifically addressing claims regarding the DMAPs. She explained that there had been a fundamental misunderstanding of the DMAPs' purpose, as these were not conventional government plans created within offices, but rather community-driven frameworks shaped by those most impacted by tourism. The HTA had deliberately stepped back to allow island-specific steering committees to lead, prioritizing local concerns. She argued that this approach reflected trust, cultural respect, and meaningful engagement, rather than weak leadership.

Ms. Brun acknowledged that the HTA could be criticized for lacking strict control over the process or accepting an excessive number of projects. Still, she noted that such criticisms stemmed from a traditional top-down perspective. The HTA's model, she asserted, was distinct and more culturally appropriate, as it recognized the unique priorities of each island rather than imposing a uniform framework. She argued that the HTA should not be penalized for honoring this diversity.

Additionally, Ms. Brun addressed criticisms regarding the HTA's metrics and budget allocations, pointing out that the HTA had shifted its values from focusing solely on visitor numbers to prioritizing resident well-being, cultural integrity, and environmental protection. These objectives, she emphasized, did not necessarily manifest in conventional data spreadsheets but were essential, reflecting longstanding requests from local communities. Ms. Brun conceded that tracking and reporting required improvement but cautioned against allowing this deficiency to overshadow the broader impact of the HTA's work. She underscored the rarity of a state agency willingly sharing power, listening to stakeholders, and attempting to rebalance tourism in alignment with Aloha 'Āina. She refuted the auditors' characterization of the plans as impractical, arguing that such a conclusion dismissed years of dedicated work by residents. Ms. Brun asserted it was necessary to continue to support and refine the DMAPs rather than to abandon them.

Chair Apo invited questions and thanked Ms. Brun for her contribution.

**Mr. Scott Pauli**, Executive Director of the Island of Hawai'i Visitors Bureau, highlighted the DMAPs' achievements, emphasizing their extensive work documentation. He referred to the notable accomplishment of installing signage at the Waieka Valley Lookout. His organization had also provided funding to bridge a salary gap for the Pololū Stewardship Plan. Mr. Pauli commended the stewardship training program facilitated by his organization, which had established criteria for community collaboration in Pololū.

Mr. Pauli referred to various media initiatives, such as videos produced in partnership with Hawai'i News Now and KHOM Media, which successfully conveyed key messages. He

mentioned the development of Food Hub rack cards distributed to hotels and resort condominiums, informing community members and visitors about food hub locations.

Mr. Pauli thanked Mr. Ka'anā'anā for his support and extended best wishes for his future endeavors. He also acknowledged Ms. Anderson's contributions and praised Ms. Rachel Kayama's exceptional work as the DMAP manager. Mr. Pauli expressed optimism about collaborating with Matt Sueda, noting that an initial meeting had already occurred, with weekly meetings planned to continue supporting the DMAP process.

Chair Apo asked if any Board members had questions for Mr. Pauli. As there were none, he thanked the testifier and verified testimony availability from Maui.

**Ms. Antoinette Davis**, Executive Director of the Activities and Attractions Association of Hawai'i, expressed gratitude for speaking with the Board and conveyed her regret upon learning of Mr. Ka'anā'anā's departure. She extended congratulations to Ms. Anderson. Ms. Davis stated that she had held her present position for 28 years and had participated in developing the DMAP for her home island, Maui. Ms. Davis apologized for her rapid review of the performance audit but noted that her experience with DMAP differed significantly from the findings presented in the audit. She observed that the DMAP group was highly diverse and had strong opinions, yet it managed to accomplish much.

Ms. Davis believed that two statements in the audit summary had been inaccurate. One was the claim that the DMAP was "not new," yet she considered the Maui-specific nature of the initiative to be new. Previously, she had served on a tourism committee under the Mayor, where discussions had been challenging. By contrast, she had found the DMAP to be a refreshingly structured and effective approach to addressing action items. She commended Ms. Meagan DeGaia, the organizer and manager, for her outstanding work.

Ms. Davis remarked that after the 2023 Maui fires, priorities had shifted toward housing and assisting residents. However, she noted that tourism faced a public relations issue, as the HTA was well aware. She had observed that activities and attractions throughout the state were often undervalued, with their economic contributions insufficiently recognized. Ms. Davis believed their financial impact was significant, as all revenue remained within the state.

She highlighted several action items, such as installing mineral sunscreen dispensers on beaches, supported by 20 volunteers, to help preserve coral reefs. Unfortunately, funding for the initiative was delayed by MVB and the County. She mentioned that Hāna had become a major tourism hotspot after the COVID-19 pandemic, prompting tour companies to cease visits due to overcrowding. Ms. Davis noted that initial community sentiment had been

overwhelmingly negative regarding the benefits of tourism. Still, efforts implemented under the DMAPs had increased recognition of tourism's advantages from zero to over 80%.

Ms. Davis expressed confusion over the audit's conclusions, noting that she had not been consulted during its preparation. She thanked the Board for allowing her to provide testimony and said she had been pleased to contribute.

Chair Apo invited questions and thanked Ms. Davis for her contribution.

**Ms. Sherry Duong**, Executive Director of the Maui Visitors and Convention Bureau (MVCB), greeted the Board members. She wished Mr. Ka'anā'anā well and expressed her gratitude for the opportunity to collaborate with him. She was a member of the Maui Nui DMAP Steering Committee. She appreciated the opportunity to respond to the recent performance audit of the DMAPs, which had raised concerns regarding the perceived lack of progress in addressing visitor hotspots.

Ms. Duong acknowledged the importance of accountability and the necessity of the audit process. Still, she emphasized the need to present additional context to reflect the substantive work undertaken across the island. As a Steering Committee member and an active participant in the Maui DMAP, she described efforts in Hāna, one of the most frequently visited and culturally significant areas of Maui. In collaboration with community leaders, the MVCB, and local agencies, targeted initiatives had been implemented to mitigate congestion and enhance the safety and well-being of the Hāna community. These measures included visitor education before travel, road signage improvements, coordination with tour operators, and reinforced messaging to promote responsible travel.

Ms. Duong explained that the DMAP had also supported community-driven initiatives to ensure appropriate behavior in sacred and environmentally sensitive areas along the Hāna Highway. While not all efforts involved large-scale infrastructural or immediately measurable outcomes, they contributed to a broader cultural shift toward respectful tourism. These initiatives were deeply rooted in community trust and cultural sensitivity.

Ms. Duong stated that the DMAP had never been intended to produce rapid, transactional outcomes, as its approach relied on long-term commitments, collaboration, and gradual relationship-building. She described the progress in Hāna as evidence that destination management could be effective when led by local organizations with a deep sense of responsibility. She welcomed continued dialogue on refining destination management strategies and strengthening accountability, but urged stakeholders not to overlook the foundational work that had already been accomplished. Community members had labored

diligently, with profound respect and care for Maui. Ms. Duong thanked the Board for their time and consideration.

Chair Apo invited questions from Board members and thanked Ms. Duong.

**Ms. Kathleen Costello**, Director of Marketing and Communications for the Wailea Resort Association, greeted Board members and thanked them for the opportunity to speak, noting that she had served as a Maui DMAP Steering Committee member.

Ms. Costello recounted her disappointment upon reading the press release describing dissatisfaction with the DMAP's accomplishments. She described her participation in the initiative as valuable and constructive, noting that it had fostered meaningful engagement. She stated that she had gained significant insight through the lively discussions, which had provided extensive listening and learning opportunities.

Ms. Costello described a collaborative exercise involving hotel partners, commercial entities, and homeowners, many of whom had previously been unaware of Maui's challenges. Ms. Costello identified Hāna as the most critical focus of the initiative, underscoring the importance of community involvement. The long-standing congestion issue had been addressed through enhanced visitor guidance, promoting using tour companies rather than individual vehicles to minimize traffic disruptions. The results had been highly beneficial.

Ms. Costello cited Haleakalā as another success story, particularly with establishing a reservation system. Visitors had been educated on alternative times to visit beyond sunrise, which had improved traffic conditions in the area while respecting residents' needs. She considered this a prime example of efforts to accommodate resident perspectives.

Ms. Costello thanked the HTA Board members for their contributions. She hoped that Ms. DeGaia and her team would continue to oversee community concerns and secure appropriate budget allocations. She acknowledged the numerous challenges faced by Maui in the aftermath of the fires and viewed the DMAP as an essential opportunity to continue addressing these issues. She expressed appreciation for the opportunity to testify.

Chair Apo invited questions and thanked Ms. Costello for her contribution.

**Mr. Seward Akahi**, General Manager of Hertz Rent-A-Car Hawai'i, stated that he had served on the Maui Nui Steering Committee. He expressed appreciation for Mr. Ka'anā'anā and extended his best wishes. Mr. Akahi had found the performance audit results disheartening, particularly in light of the efforts that had been made. He noted that previous testifiers had already addressed many of the key issues.

Mr. Akahi described the DMAP as a collaborative and dynamic initiative in which community engagement had played a critical role. He recalled that Ms. Brun had referred to existing distrust toward government and emphasized the importance of rebuilding confidence by bringing together diverse and independent voices from the community.

Reflecting on the accomplishments of the DMAP, Mr. Akahi cited the progress in Hāna, where he had been born and raised. He was familiar with the local sentiment and the generally cautious approach of the community. He considered the increase in resident recognition of tourism's benefits from 0% to 80% to be a significant achievement. Mr. Akahi remarked on the persistent traffic congestion along the Hāna Highway, which had often deterred him from visiting the area due to overcrowding caused by tourism. He praised the effectiveness of the steering committees, which had allowed the community to collaborate in addressing these challenges. He also acknowledged the sunscreen initiatives designed to protect the ocean ecosystem.

Drawing from his firsthand interactions with visitors, Mr. Akahi noted that they often appreciated the measures the state had introduced to preserve Hawai'i's natural environment. He regarded this as an achievement of the HTA, emphasizing that destination management played a crucial role in gathering stakeholders to determine priorities. He valued the DMAPs' contribution to restoring trust in the visitor industry.

Mr. Akahi commended Ms. DeGaia for her work as Maui Destination Manager and extended his gratitude to Ms. Duong and Mr. Ka'anā'anā for their efforts. Without the contributions of DMAP participants, he believed that the challenges facing tourism would have been much more difficult to address. He acknowledged that governmental initiatives often took time to be implemented, whereas the DMAP facilitated quicker problem-solving by engaging directly with community members. Mr. Akahi expressed his hope that the testimonies presented would receive widespread attention and thanked Board members for the opportunity to testify.

Chair Apo invited questions and thanked Mr. Akahi for his contribution.

**Mr. Jim Braman**, Board Chair of the Hawai'i Lodging & Tourism Association (HLTA) Kaua'i Chapter, appreciated the opportunity to speak. He stated that many of his remarks aligned with previous testimonies but wished to highlight two specific examples from Kaua'i.

He had been involved in the DMAP process since its inception in 2018 and 2019, during which Kaua'i developed its own plan that later informed similar initiatives statewide. He identified two primary benefits of the DMAP: increasing public awareness of the hospitality and visitor industry's contributions to the community and strengthening cooperation between State and County agencies.

He described several ambitious projects that had emerged from the DMAP, some of which remained ongoing while others had already been completed. Among the successes was the Hanalei Initiatives Program, which had significantly improved transportation in Hanalei, Hanaleʻa, and Princeville. The initiative effectively alleviated congestion in Hanalei and on the roadway to the park. Mr. Braman regarded this program as a valuable addition to Princeville, one of Kauaʻi’s major visitor destinations. He noted that it had inspired the East Side Mobility Hub project, which was nearing completion. He noted that developing shuttles and multimodal transportation options for the East Side aimed to address the island’s most significant traffic bottleneck. He added that residents' attitudes toward the visitor industry had become more favorable as they witnessed infrastructure improvements.

Mr. Braman also noted that the DMAP had encouraged the Princeville community to establish its own Princeville Management Action Plan (PMAP), which greatly improved communication between visitors and residents. Vacation rental properties in Princeville, which had previously operated independently without sharing information with their guests, had now aligned their messaging with hotel and timeshare establishments. As a result, relationships within the community had strengthened considerably. Mr. Braman concluded by thanking Board members for the opportunity to testify.

Chair Apo invited questions and thanked Mr. Braman for his contribution.

**Ms. Amanda Corby Noguchi**, the founder and CEO of “Under My Umbrella,” had provided the following written testimony, which was read to Board members by Ms. Sanborn:

“Community voices are essential to effective destination management, and authentic community engagement is not just good practice, it is fundamental to sustainable tourism management. HTA’s shortcoming was not seeking community input through DMAPs but creating measurable structures that can easily be refined.”

Chair Apo informed Board members that public testimony had now concluded and staff testimony would form part of the staff presentation on this agenda item.

Ms. Meagan DeGaia, Destination Manager for the Maui Visitors and Convention Bureau (MVCB) expressed gratitude for the opportunity to speak about the true impact of the Maui Nui DMAP. She believed the DMAPs had been a historic bridge between the visitor industry and local communities for the first time. She described the process as complex and non-linear, aiming to reconcile inherited legacies.

Ms. DeGaia noted that the performance audit had stated that the DMAP had failed to address tourism hotspots. However, over two years, the Maui Nui DMAP had collaborated closely with

the community in rural East Maui. A local advisory group comprising 25 residents had been assembled to guide the destination management team and the County on preferred approaches for managing the road to Hāna. The advisory group first voted on the five most critical hotspots requiring management and relief, then offered input on how the RFP should be structured. The destination management team had accepted and implemented this guidance, ultimately securing contracts with three East Maui-based organizations to oversee tourism management in those areas. She emphasized that this effort had constituted the largest contiguous community-driven tourism management initiative in the State.

Ms. DeGaia added that the community had worked alongside the County to manage the five identified hotspots. As a result of this collaboration, the Mālama Maui Hikina Pilot Program facilitated over 16,000 direct interactions between visitors and residents. Lineal descendants of the original inhabitants had conveyed community-driven and HTA-approved messaging, and the program had successfully managed parking and traffic flow while preventing injuries that might have occurred due to falls or flash flooding. Visitor compliance with the program had reached 87%, and resident satisfaction had increased from 0% before the program's launch to between 88% and 100%, depending on the four specific measures of resident sentiment being evaluated.

Ms. DeGaia highlighted community-driven messaging efforts that had taken place on Lānaʻi and Molokaʻi, explaining that she had worked closely with resident groups on both islands to develop educational materials tailored to community needs. For example, Lānaʻi residents had desired to attract visitors who could support the local economy. In response, her team had collaborated with them to revise the Expeditions website, develop television spots, and produce commercial campaigns—efforts that had never previously been undertaken and presented a significant opportunity.

Ms. DeGaia expressed her appreciation for the DMAP managers, HTA staff, HVCB staff, County officials, Board members, legislators, and all those who had supported the DMAP initiative. She stated that a solid foundation had been established that could be further developed for future tourism management plans. She looked forward to incorporating the audit's recommendations while continuing to refine the program so that all stakeholders could work together to serve Hawai'i's treasured communities.

Ms. Patti Ornellas, Destination Manager for Kauaʻi, shared her perspective on the DMAP, reflecting on her start with the initiative in 2021, when she was motivated by a desire to contribute to a movement that would foster balance between the visitor industry and local communities. She believed that collaboration among State and County agencies, stakeholders, and residents had encouraged broader participation from community members whose voices

had not previously been heard. She credited the DMAP with providing a platform for those voices to be acknowledged.

Ms. Ornellas remarked that community meetings where the visitor industry's positive and negative aspects had been discussed had proven invaluable. She believed that direct engagement with community members was essential for fostering a deeper understanding of the DMAP's overarching goals. Communications had played a critical role, and public service announcements on the radio had been utilized to increase awareness among residents.

Ms. Ornellas explained that she had consistently reminded communities that destination management was not a singular effort but an ongoing commitment requiring collaboration. She emphasized that everyone played a role in maintaining its success and expressed her hope that the HTA would continue to support the initiative, encouraging stakeholders to remain aligned with their values, their vision for future generations, and the principles of *pono* tourism.

Chair Apo inquired whether additional staff members were online. Ms. Sanborn confirmed their presence but indicated they would not be speaking then.

Mr. Ka'anā'anā affirmed the sentiments expressed by previous testifiers, underscoring a key point that he believed Ms. Anderson would address: "To What End?" He explained that the current strategic plan contained four key performance indicators, the first of which was resident sentiment. Between 2022 and 2024, resident sentiment toward tourism showed a statistically significant increase. One survey question, "I want to encourage tourism on my island," had demonstrated growth for the first time in many years. Awareness among residents who understood the objectives and accomplishments of the DMAP had correlated with stronger support for tourism across the islands.

Mr. Ka'anā'anā acknowledged that many visitor industry members had struggled to determine how resident sentiment could be improved. From his perspective, the audit had omitted critical resident sentiment data. He highlighted several survey questions, including: "Tourism has brought more benefits than problems," "Perceived impact of tourism on you and your family," "Tourism is being better managed on my island," and "Tourism should be actively encouraged on my island." Of these, the two that had shown statistically significant increases were "Tourism is being better managed on my island" and "Tourism should be actively encouraged on my island."

These indicators increased by 5.65% and 5.39%, respectively, between spring 2022 and spring 2024. Mr. Ka'anā'anā stressed the importance of including these data in discussions regarding tourism management. While acknowledging the need for ongoing improvements, he urged stakeholders to recognize the positive shift in resident sentiment toward tourism.

Chair Apo thanked all the testifiers and staff, particularly those who had shared their perspectives with the Board. He acknowledged that the auditors had received a specific set of information. Still, he appreciated the valuable testimony regarding the impact of the DMAPs across various islands, noting that it would be useful in the upcoming discussions.

Ms. Iona referred to those who had testified about Kaua'i. She noted that even developers had begun engaging with and listening to community feedback, to integrate destination management action plans into their property developments in response to guidance provided by councils and destination managers. She acknowledged that Ms. Ornellas and Ms. Kanoho had long advocated for this concern and thanked them for their testimony.

Ms. Paulson stated that she had served on the Maui Nui DMAP and emphasized the widespread support for its community-driven outcomes. She noted that government audits of such programs often overlooked the extensive hours community members had contributed to the process. Ms. Paulson highlighted the collaborative nature of the initiative and its strengthening of relationships among stakeholders.

Ms. Anderson reiterated her gratitude to all the testifiers and expressed her appreciation upon hearing that the HTA's efforts in DMAP had made a difference. Over the years, she had witnessed communities seeking opportunities to voice their perspectives on tourism, and she asserted that the DMAPs had successfully facilitated that engagement. Ms. Anderson described her participation in community meetings as a resonant experience, underscoring the community's desire to be involved despite uncertainty regarding how to participate. She affirmed that the DMAPs had provided a voice for those who had previously felt unheard.

She appreciated current and former destination managers' work with the community, the visitor industry, government agencies, and local stakeholders. She also thanked the auditors for their recommendations and added that staff had met with them to review their findings. She explained that many of the recommendations outlined in the report had already been implemented due to an internal evaluation by staff the previous year. Ms. Anderson emphasized that the HTA staff remained committed to continuous improvement and expressed hope that her prior presentation had demonstrated the introduction of new metrics, milestones, and targets within the DMAPs and as part of the strategic plan.

Ms. Anderson indicated that the HTA staff was working to enhance their reporting processes. She noted that an annual report including key measurements was presented to the legislature. She explained that efforts were underway to improve the CEO's monthly reports to the Board by incorporating more outcome-driven data, rather than waiting until the end of the year. She emphasized the importance of keeping the Board, the legislature, and the public informed

about the results of the HTA's actions, reminding Board members that staff remained focused on complying with the auditors' recommendations.

Chair Apo asked whether there were any questions related to the audit, but reminded members that Agenda Items #10b and #10c relating to the DMAPs and the strategic plan were still pending.

Mr. White reflected on the testimonies and the accounts of the extensive work undertaken through the DMAPs, remarking that auditors lacked an established methodology for measuring community engagement, relationships, and the concept of Aloha. He explained that audits typically focused on quantifiable data and did not assess sentiment. He argued that auditors could not be faulted for producing reports grounded in numerical analysis but suggested that they should work toward a more effective evaluation of intangible outcomes.

Several years earlier, Mr. White recalled receiving a recommendation regarding implementing total quality management (TQM) in his hotel, suggesting that structured processes would allow for measurable results, with staff being trained in standardized procedures. At the time, he had hesitated to adopt TQM, fearing that it would diminish the sense of Aloha among his staff. A decade later, the same individual returned and admitted that Mr. White's concerns were valid. The person had worked for a major mainland consulting firm with clients among the Forbes 500, where managers widely embraced TQM because it generated measurable data that could be presented in reports to shareholders and Boards to justify increased salaries and bonuses. However, over time, the person had realized that such approaches often neglected the human aspects of business, whereas Mr. White's approach had remained attuned to the intangible contributions of employees.

Mr. White likened this insight to the audit report, asserting that the HTA had been excessively focused on measurements and negative assessments, with insufficient recognition of its many positive accomplishments over the years. He hoped the organization could shift toward emphasizing its successes while constructively addressing areas needing improvement.

Mr. Hannemann affirmed Mr. White's observations, noting that four members of the Board had backgrounds in County Council governance. He explained that effective County Council representation required community-based planning, meaning prioritizing engagement with residents during discussions of new projects. He stressed that the focus should not solely be on job creation but should also assess the impact on the quality of life for community members.

Mr. Hannemann believed that the HTA did not receive sufficient credit for its work in destination marketing, destination stewardship, and management, as demonstrated in the current discussions. He echoed Mr. White's sentiment that such contributions could not easily

be quantified in an audit. He emphasized the invaluable achievement of enabling residents to feel that their perspectives were heard and integrated into the State's strategic plan.

Mr. Hannemann acknowledged that constructive criticism and recommendations for improvement were always welcomed, but he underscored the significance of the HTA's efforts in destination management. He remarked that multiple legislators conveyed that destination management was more important than destination marketing. He explained that most constituents were not hotel executives, airline managers, or corporate leaders, but everyday residents impacted by visitor presence in their communities. He emphasized that the DMAP process provided an avenue to achieve balance, ensuring a positive quality of life for visitors and residents.

Mr. Hannemann concluded by expressing his strong support for the DMAP process, describing it as not merely a valuable program but an essential and critical one.

Mr. Pfund shared his experiences as a participant in the Hawai'i Island DMAP process. He noted that the Big Island manager had actively participated in multiple meetings, alongside representatives from the County and various organizations with diverse viewpoints. He emphasized that the discussions yielded valuable outcomes, benefiting the community and visitors. He expressed his full support for the initiative and stated that improvements should be pursued whenever possible.

Chair Apo invited comments from other members.

Dir. Tokioka observed that several of the testifiers, as well as he and Ms. Iona from Kaua'i, had highlighted the Hayana project as an outstanding example of effective destination management. He credited Ms. Kanoho, Ms. Ornellas, and their teams for their contributions and cited Wai'anapanapa as another exemplary case, along with several other efforts across the State. He emphasized the importance of identifying ways to enhance destination management practices and acknowledged that the audit report had provided some useful recommendations. He looked forward to Auditor Kondo addressing any questions regarding his report during future attendance at committee or Board meetings. While Dir. Tokioka agreed with the sentiments expressed in the preceding testimony. He emphasized the need to understand Mr. Kondo's rationale for the audit's findings and to learn from the experience.

Chair Apo referred to Mr. White's comments regarding the challenge of quantifying Aloha and the less tangible aspects of enterprise management. He mentioned that the Hawai'i Executive Collaborative had scheduled a speaker from Bhutan in October to discuss their happiness index, suggesting that this type of measurement might hold value for the visitor industry. He responded to Dir. Tokioka's remarks note that Vice Chair Paishon, chair of the Ho'okahua

Committee, could potentially coordinate a discussion with the Auditor. He also pointed out that Hawai'i Revised Statutes now requires DMAPs by law, reinforcing the necessity of executing them correctly and making continuous improvements. He indicated that the committee could further engage with the Auditor to gather insights.

Chair Apo then returned to items 10b and 10c, stating that the Board first needed to approve the staff's next steps based on Ms. Anderson's presentation outlining the scope of the strategic plan and the DMAPs.

Chair Apo expressed his gratitude to Mr. Choy and Mr. Kishi, who had used the recess to clarify the budget for each contract. The Strategic Plan and the DMAPs were allocated \$105,000 and \$400,000, respectively. The facilitation budget was \$155,000, with the facilitator overseeing the strategic plan and the DMAPs.

Ms. Anderson explained that the facilitation services would gather information to inform the development of the three plans.

Chair Apo reminded the Board members that the DMAPs were required by statute and underscored the necessity of the Strategic Plan, explaining that these budgetary allocations were essential for their implementation.

Mr. White asked whether the facilitators were included in the \$105,000 and \$400,000 budgets, and Ms. Anderson clarified that the facilitators' budget was \$155,000.

Mr. White then asked whether the \$155,000 was included within the other allocations, and Chair Apo explained that the funding was divided into three distinct categories: \$155,000, \$105,000, and \$400,000.

Mr. White asked whether the budgets had been incorporated into the respective request for proposals (RFPs).

Chair Apo asked Vice Chair Paishon to propose a motion to approve the plans.

Ms. Iona proposed the motion for the Board to move forward with the strategic plan and DMAPs as presented by staff earlier in the meeting, and Mr. Hannemann seconded it.

Chair Apo invited further discussion on the motion, and Dir. Tokioka asked for clarification.

Chair Apo explained that the budget had already been approved and that the motion pertained to authorizing the next steps based on the earlier presentation detailing the content of the strategic plan and the DMAPs.

Dir. Tokioka remarked that his concerns were unrelated to the work undertaken by island chapters and other stakeholders in the field. Rather, he expressed reservations regarding

expenditure on contractors and sought greater clarity on their specific responsibilities. He reflected on past experiences as a Board member, identifying as an area of concern that Board discussions did not always align with the actual execution of projects.

Chair Apo acknowledged that such concerns were normal when undertaking new initiatives. He emphasized that Board members should thoroughly understand the budgets they approved, but once the allocations were finalized, it would be the responsibility of staff to execute the plans accordingly. He assured members that the finer details would be addressed as the contracts progressed.

Dir. Tokioka agreed that this was a reasonable assessment of the situation.

Ms. Anderson stated that she would provide Board members with the RFP and scope documents, as requested, so they could review the specific components involved.

Mr. McCully remarked that the total budget amounted to \$655,000, which represented 1% of HTA's overall budget and constituted approximately 12% of the administrative segment of the budget. The expenditure accounted for over 20% of the total staff payroll. Mr. McCully stressed the importance of contextualizing these figures during cost-benefit discussions. He explained that the expenditure's primary benefit was addressing concerns raised in the audit, adding that the AASC had anticipated these findings even before the audit results were published and recognized that addressing them would be part of their responsibility.

Mr. McCully further noted that since 2024, statutory requirements have mandated HTA's production of DMAPs. While he supported the DMAPs, he voiced reservations about allocating funds for a consultant to improve HTA's administrative efficiency. He questioned whether spending 20% of the total salary budget on a report to guide HTA staff in administering the DMAPs was justified and expressed deep concerns about the proportionality of the expense.

Chair Apo sought clarification from Mr. McCully, who reiterated that HTA's annual salary expenditures totaled approximately \$3.5 million. He suggested that the additional \$500,000 could be redirected toward staff salaries, allowing internal recruitment to manage the work instead of hiring an external consultant. He suggested that such an approach might yield better outcomes.

Chair Apo reminded members that the \$600,000 budget covered the full scope of preparing the plans, rather than just the consultant's fees.

Mr. McCully responded that HTA staff were responsible for executing the plans and that he understood that part of the funding would be allocated for community outreach.

Ms. Anderson emphasized that the facilitation service had been budgeted at \$155,000, and Mr. McCully confirmed his understanding.

Ms. Anderson explained that the \$155,000 budget included costs for venues, not just the facilitator's fee, and the allocation covered statewide efforts. She elaborated that the \$400,000 designated for the six DMAPs amounted to approximately \$65,000 to \$85,000 per island, depending on specific needs, clarifying that these figures reflected a standard range for plan development. Before finalizing the budget, staff reviewed expenditures from similar initiatives and determined that the costs were consistent with past efforts.

Mr. McCully observed that plans had been developed in the past, yet the auditors' 55-page report indicated that the HTA had not fully met its objectives. He cautioned against repeating the same process while expecting different results. He acknowledged that he might have been overly critical in raising concerns about the \$655,000 budget but reiterated that he had sought to make a broader point.

Mr. Arakawa built upon Mr. McCully's remarks, emphasizing that DMAPs were now a permanent fixture of the HTA's operations and a fundamental component of its future responsibilities. He questioned whether it would be preferable for HTA staff to manage the work internally rather than relying on outside consultants. He proposed that the funds be used to recruit permanent staff for each island, ensuring that institutional knowledge would be retained and reducing dependence on external consultants. He recalled prior efforts to train attorneys within the Corporation Counsel's office by pairing internal counsel with external legal advisors, which strengthened internal expertise over time. He agreed that external consultants provided valuable insights, but their expertise was taken elsewhere upon completing their contracts. Given the long-term nature of destination management and stewardship, he suggested that HTA consider transitioning to a staff-driven model rather than continually contracting external experts.

Dir. Tokioka emphasized that his concern was not with destination management but the associated costs. He recalled that he had been in President Kouchi's office when the audit report had been released, when the president had humorously suggested that the HTA adopt Kaua'i's DMAP model, given its success under Ms. Kanoho and Ms. Ornellas. Dir. Tokioka had shared in the humor and had suggested that the HTA consult directly with Ms. Kanoho and Ms. Ornellas regarding best practices for destination management. He expressed uncertainty about whether these managers had been consulted before the current budget was allocated, noting the valuable perspectives other testifiers provided during the meeting.

Dir. Tokioka referred to the concerns about current staffing capacity expressed by Ms. Anderson and others and acknowledged that many who had testified were knowledgeable and

essentially part of the HTA's network, even if not formally employed by HTA. He clarified that he was not arguing against the initiative but urging caution regarding expenditures, since he frequently had to respond to questions about budget allocations.

Ms. Iona pointed out that five managers had already been hired to oversee the DMAPs, a process that had taken time to complete. She affirmed that these managers had been fulfilling their duties effectively, but multiple individuals had pointed out that the auditors had not consulted with them.

Ms. Iona reiterated that the managers and the budget for the DMAPs had been hired with Board approval. She stated that the current discussion focused on providing necessary support to these managers to fulfill their responsibilities, including overseeing advisory groups, producing educational materials, working with the facilitator, and compiling a final plan for submission to the legislature. She recalled that prior concerns had centered on a lack of personnel to execute the DMAPs, which had been addressed by hiring the five managers.

She expressed frustration that the Board did not seem to recall approving the budget and hiring the managers. She argued that the budget committee should have been informed earlier if the \$400,000 allocation was a concern. She stressed that the plan had been developed with HTA staff involvement, and the Board's role was to support its implementation.

Chair Apo affirmed that the organization guidelines specified that the DMAPs would be developed and overseen by HTA staff. He noted that HTA had historically relied on contractors, such as HVCB for brand marketing and Kilohana for destination management, rather than hiring internal teams for execution. He believed that HTA had sufficient staff to oversee, manage, and implement its work, but emphasized the need for resources to move forward. He stated that the \$650,000 budget had been approved, and, in his view, the next step was to proceed with the initiative.

Chair Apo then called for a roll-call vote on the motion and reminded Board members that the motion pertained to approving the DMAPs and strategic plan content, based on staff presentations.

Ms. Sanborn conducted the roll-call vote:

- Members Agas and West were excused.
- Director Tokioka voted "No."
- All other members voted "Aye."

The motion passed with 9 Ayes and 1 No and was formally approved.

Chair Apo reminded members that Vice Chair Paishon would convene a Ho'okahua Committee meeting with the auditors to review their findings and consider the feedback provided during the present discussion.

#### **11. Report and Update by the ADMINISTRATIVE AND AUDIT STANDING COMMITTEE**

Chair Apo reminded the Board members that several requests for documentation had been made. He was working with Ms. Anderson and the HTA staff to consolidate documents to be presented to the committee as one set. This would enable AASC members to review the documents and bring recommendations to the Board.

##### **a. Discussion on Questions Submitted by Board Members to the Administrative and Audit Standing Committee**

Mr. McCully explained that Chair Apo referred to documents relating to questions raised by Vice Chair Paishon about specific items, such as copies of balances. Mr. White's requests for documentation of all unpaid balances had been transmitted to the HTA staff through Chair Apo, and the Chair had just explained the status of this request.

Mr. McCully invited questions or concerns regarding this item.

##### **b. Discussion and/or Action on Scheduling Employee Performance Appraisal (HRD 526A) for All Acting Authority Managers**

Mr. McCully noted that this issue had been raised in both open and executive sessions during the past two months, with the concern that at this point in time, the HTA had a group of acting managers. Mr. McCully recalled that a member had formerly used the term "level-setting" at Board meetings, and he believed it was an operative term here.

Mr. McCully informed Board members that the performance audit noted that the organization chart submitted to the auditor did not include the post of Chief Administrative Officer. Mr. McCully believed that the auditors should be updated that the Chief Administrative Officer position actually existed, even though the present holder of the position was an Acting CAO.

Mr. McCully noted that, according to the bylaws, the Acting Managers did not fall under the kuleana of the AASC. Still, he believed that the issue pertained to the committee. He believes the standard employment form, HRD 526A, should be used for employee appraisal guidelines. In this instance, the Interim CEO, Ms. Anderson, would complete these forms for Mr. Ka'anā'anā, Mr. Choy, and Ms. Goo, while the Board would conduct Ms. Anderson's appraisal. Mr. McCully believed that this should be done during May, and Ms. Anderson should report to the Board by the end of May on the performance of the senior administrative employees.

Mr. McCully opened the floor for discussion, and Chair Apo repeated an invitation for questions and comments.

Mr. Arakawa stated that several items under consideration by the BFCCSC had remained unresolved for over a year. He believed that if employee evaluations and appraisals had been conducted regularly, these and other issues, such as overdue invoices and contract violations, could have been avoided. He emphasized that implementing scheduled evaluations, particularly for managerial staff, would enhance the HTA's efficiency.

Chair Apo summarized the request, explaining that the Interim CEO would be expected to evaluate leadership staff, while the Board would evaluate the CEO.

Mr. McCully confirmed this interpretation and pointed out that both the 2018 and present audits had criticized the Board's oversight of staff. He remarked that instituting these appraisals would be a positive step toward addressing this concern.

Ms. Anderson inquired about the timeframe for conducting evaluations, noting that goal-setting typically preceded assessments to determine whether objectives had been met.

Chair Apo responded that the target timeframe was May. He instructed Ms. Anderson to update the Board at the May 29, 2025 meeting if the evaluations had not been completed, explaining what had been accomplished and how much additional time might be needed. He stressed that, given the prolonged delay, the evaluations needed to be prioritized. He asked Mr. McCully whether this aligned with his expectations.

Mr. McCully quoted Form 526A, which stated that a supervisor should meet with an employee at the beginning of the performance period. He pointed out that the current period was beginning and suggested modifying the document to better align with the start of a new term, whether three months, six months, or one year. He emphasized that the executive's role was to oversee this process and advocated for the swift completion of the appraisals.

Mr. Arakawa asked whether position descriptions were available on the website or SharePoint. Ms. Anderson replied that job descriptions were not currently listed on the website, but she would consult Ms. Hagihara for further clarification.

Mr. Ka'anā'anā noted that, according to Form 526A, goal-setting typically occurred at the start of the fiscal year, followed by evaluations on a fiscal year basis. He addressed Ms. Anderson's concerns, explaining that a key challenge during the past two years of interim leadership had been the absence of goal-setting at the start of the transition period after Mr. De Vries stepped down as CEO. Mr. Ka'anā'anā added that Ms.

Anderson's appointment as Interim CEO, effective April 15, 2025, underscored the importance of setting new goals for the upcoming period. He suggested that May could be dedicated to goal-setting, with the subsequent fiscal year as the evaluation period.

Chair Apo acknowledged the HTA's unique circumstances, noting that the interim period had extended much longer than anyone had anticipated.

Mr. Choy clarified that goals were set at the beginning of an employee's hiring period, not necessarily at the start of the fiscal year. Given the varying statutory levels of oversight, he requested that his executive evaluation be formalized. He shared that he had discussed this matter with Mr. McCully. He expressed interest in establishing an employment contract and compensation schedule to ensure that goals and expectations were clearly defined at the outset, making performance measurable at the end of the term.

Mr. Arakawa asked how frequently Mr. Choy conducted employee evaluations and how the process was structured. Mr. Choy responded that he had prioritized this task from his first day at the HTA, as he wanted his employees to understand his expectations immediately. He emphasized that performance could not be effectively evaluated without setting expectations.

Mr. Arakawa inquired whether evaluations were conducted regularly and properly filed.

Mr. Choy suggested that the appraisals should be conducted as 360-degree evaluations, allowing input from various perspectives.

Chair Apo cautioned that a 360-degree evaluation could not be completed within a month, emphasizing that its cost and time implications must be carefully considered. While acknowledging the long-term value of such evaluations, he proposed that the immediate goal should be to internally complete as much of the process as possible by the end of May.

Mr. McCully explicitly addressed Ms. Anderson, stating that her capacity to fulfill the CEO role would be assessed based on completing the staff appraisals. Additionally, he confirmed that Mr. Ka'anā'anā's evaluation would be structured as an exit interview.

Mr. McCully noted that previous senior staff members had departed without undergoing exit interviews, which he had previously warned Mr. Nāho'opi'i was problematic. Now that Mr. Nāho'opi'i had left, he was uncertain whether an exit interview had occurred. He emphasized that such oversights must not be repeated and insisted that Mr. Ka'anā'anā's departure be properly documented through a formal exit interview as part of his performance evaluation.

Mr. Hannemann stated that Ms. Anderson had been assigned numerous responsibilities and appealed for her to be granted some flexibility. He acknowledged that the AASC had set expectations for completion of appraisals by May 29, 2025, but cautioned that organizational culture could not be changed abruptly. He pointed out that evaluations of the employees reporting to Ms. Anderson had to be properly conducted and submitted through appropriate channels, ensuring they did not bypass Ms. Anderson by approaching others.

Mr. Choy remarked that he had undergone a 360-degree evaluation, and his team had been quite critical of him. However, he pointed out that the process had been completed within a week.

Chair Apo reflected on the nature of a 360-degree evaluation, stating that such assessments involved direct reports and the broader internal and external environment. Observing that Board members had not raised any objections regarding the approach, the Chair confirmed that Ms. Anderson was to proceed with evaluations of the leadership team. At the same time, he would oversee the evaluation of Ms. Anderson herself. However, as Mr. McCully had noted, part of Ms. Anderson's performance review would be contingent upon completing the evaluations for her team.

Mr. McCully suggested that Chair Apo's evaluation of Ms. Anderson should be presented at the June 2025 Board meeting.

Ms. Iona inquired whether exit interviews were conducted by the human resources (HR) department, and asked whether HR DBEDT oversaw such interviews, noting that HTA employees reported to DBEDT. She sought clarification on whether the evaluation process would be an internal HTA report and raised additional questions regarding final paychecks and retirement benefits.

Mr. Ka'anā'anā responded that the final paycheck was processed automatically.

Ms. Iona then asked whether Ms. Anderson would be solely responsible for conducting the performance evaluations, and Mr. McCully confirmed that an established form would be used for the evaluations.

Ms. Iona further inquired whether the Board could provide input regarding evaluations of key leadership figures.

Mr. McCully clarified that while the AASC could adjust the conditions for evaluating the CEO, assessments of employees reporting to the CEO remained under the CEO's discretion.

Ms. Iona posed a hypothetical scenario involving evaluating individuals such as Mr. Ka'anā'anā or Mr. Choy, asking whether Board members could contribute feedback regarding their performance.

Mr. McCully stated that the bylaws and policies did not explicitly authorize such input. However, he noted that Board members had the authority to modify the bylaws should they incorporate such provisions. He explained that administrators such as Mr. Ka'anā'anā, Mr. Choy, and Ms. Goo were responsible for assessing employees who reported to them directly and would utilize the same standardized evaluation form.

Ms. Iona asked whether the input from Board members could be integrated into the evaluation process for specific departments, such as Branding, or Mr. Arakawa's suggestions.

Mr. McCully responded that the current structure did not allow for such input. He explained that the bylaws clearly outlined AASC's responsibilities, which did not currently encompass the type of input she had described. He advised that any proposed changes would fall under the AASC's jurisdiction and need to be formally agendaized for discussion.

Chair Apo explained that he intended to keep Agenda Item #11b open, since the matter involved personnel considerations and would therefore be discussed in executive session.

**c. Discussion on Current Hawai'i Tourism Authority Vacant Positions and Updating Position Descriptions**

Mr. McCully explained that this issue was not specifically mentioned in the bylaws relating to the AASC, but it had been brought up earlier in general Board discussion. He intended to distribute to Board members a summary of the vacant positions in April or May. He pointed out that updating position descriptions would be more relevant after possible changes after SB§1571 came into effect.

Mr. McCully added that the AASC's existence after July 1, 2025, might not be necessary.

**d. Discussion and/or Action Regarding HTA Board Officers, per Bylaws Article III**

Mr. McCully asked for this agenda item deferred and thanked Chair Apo for his forbearance.

**13. Presentation on Proposed FY 2026 Budget\*\*\***

Chair Apo informed members that Agenda Items #13, #14a, and b(i) were to be discussed in executive session.

#### **14. Report and Update by the BRANDING STANDING COMMITTEE**

**a. Presentation, Discussion, and/or Action on the 2026 Hawai'i Tourism Brand Marketing Directives\*\*\***

To be discussed in Executive Session

**b. Update on the following projects:**

**i. U.S. Maui Emergency Marketing Campaign\*\*\***

To be discussed in Executive Session

**ii. Japan Affluent Market Study**

The Branding Standing Committee (BSC) Chair, Mr. Pfund, stated that Agenda Item #14(b)(ii) had been discussed in the Branding Committee meeting and related to research into means of increasing the number of affluent Japan visitors to Hawai'i. He understood that the \$300,000 allocated for the study was part of the \$6.3 million released by the Governor, and Mr. Choy confirmed that the amount was available for use. The BSC recommended approval of the survey by the Board.

Mr. Pfund proposed a motion to approve the conduct of the Japan Affluent Market Study at \$300,000. When Mr. Arakawa reminded him that this was an update, Mr. Pfund retracted his motion to request approval.

Chair Apo commented that he believed the \$300,000 expenditure had already been approved as part of the \$6.3 million that had been approved during a previous Board meeting.

**iii. Meetings, Conventions, and Incentives Market Activity and Pace Report**

Mr. Pfund stated that the BSC had discussed critical issues faced and actions being taken regarding the repair and renovation of the HCC in 2026/2027, along with processes for redirecting large citywide meetings and conventions to hotels or other areas to ensure the retention of that business for Hawai'i.

Chair Apo asked for questions on these two items, and hearing none, noted that four items were to be covered in executive session:

- 14(b)(i) regarding the U.S. Maui Emergency Marketing Campaign would be discussed in executive session because of proprietary information and would be attended by Board members, along with the HTA and HVCB staff;

- Agenda Item #13 regarding the 2026 Budget would be discussed in executive session because of proprietary information and would be attended by Ms. Anderson, Mr. Ka'anā'anā, Mr. Choy, and Mr. Kishi;
- Agenda Item #14(a) regarding the 2026 Brand Marketing Directives would be discussed in executive session because of proprietary information and would be attended by Ms. Anderson and Ms. Goo;
- Agenda Item #11(b) regarding employee performance appraisals would be discussed in an executive session attended by Board members only, not staff members.

AG Cole noted that a motion had to be proposed to enter executive session under 92-5(a)(ii) to consider the evaluation of an officer or an employee and HTA statute 201B-4a.2 to keep information confidential that was necessary to protect Hawai'i's competitive advantage in tourism.

Chair Apo proposed a motion to enter executive session for the reasons specified, and Mr. Arakawa seconded the motion. There was no further discussion, and Ms. Sanborn conducted the roll call vote with Vice Chair Paishon, Ms. Agas, and Mr. West excused. The motion passed unanimously.

The Board recessed at 12:41 p.m. and entered the Executive Session afterwards.

## **15. Adjournment**

Board members returned to the public session at 3:15 p.m.

Chair Apo reported that the Board had discussed the U.S. Maui Emergency Marketing Campaign, and no action had been taken, while moving forward as previously approved by the Board. The Board had also been briefed on the proposed FY 2026 Budget, and no action had been taken. The Budget, Finance, and Convention Center Standing Committee would take up this agenda item.

The Board voted on Agenda Item #14a and approved proceeding with the directives with adjustments based on the discussion held in the Executive Session.

The Board also briefly discussed Agenda Item #11b concerning employee performance appraisal and management.

The meeting adjourned at 3:17 p.m.

Respectfully submitted,

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

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Sheillane Reyes  
Recorder