



**REGULAR BOARD MEETING**  
**HAWAII TOURISM AUTHORITY**  
**Thursday, June 30, 2016**  
**Hawaii Convention Center**  
**1801 Kalākaua Avenue, Honolulu, Hawaii 96815**

**MINUTES OF REGULAR BOARD MEETING**

**MEMBERS PRESENT:** Rick Fried (Chair), Fred Atkins, Sean P. Dee, Donna Domingo, Gerald DeMello, George Kam, Kuuipo Kumukahi, David Rae, Craig Nakamura, Lorrie Stone, Denise Hayashi Yamaguchi

**MEMBER NOT PRESENT:** Jack Corteway

**HTA STAFF PRESENT:** George Szigeti, Randy Baldemor, Daniel Nahoopii, Marc Togashi, Kalani Kaanaana

**GUEST:** Teri Orton

**LEGAL COUNSEL:** Gregg Kinkley

**1. Call to Order and Pule**

Presiding Officer Rick Fried called the meeting to order at 9:30 a.m. Mr. Fried acknowledged Mr. Kaanaana, who proceeded to offer a pule in Hawaiian.

**2. Approval of the Minutes of the May 26, 2016 Board Meeting**

Mr. Rae moved to approve the minutes of the board meeting held on May 26, 2016. Mr. Nakamura seconded the motion, which was unanimously approved by all the members present without any revision.

**3. Review of Recent and Upcoming Permitted Interactions**

There was no report of any permitted interaction by a board member.

#### **4. Report of the CEO Relating to the HTA's Programs and Introduction of Kalani Kaanana as the HTA Director of Hawaiian Cultural Affairs**

Mr. Szigeti referred to the Report of the CEO that was included in the board packet previously distributed to the Directors. Staff will be available to respond to any questions regarding any of the HTA programs. He continued with a discussion of the statewide Zika Response Plan, which is a coordinated effort between with the various Mayors, visitor industry and the State. A special emphasis is being placed on educating employees regarding the need for sunscreen products and bug repellents. He also noted a trip to New York to participate in Hokulea's arrival in New York. He also participated in meetings at the Kona Coast Resort Association and at the Hawaii State Association of Counties. He highlighted HTA's support of the Hawaii Open Tennis Tournament in November that would be televised on the Fox Sports network.

Mr. Szigeti introduced and welcomed Kalani Kaanana as HTA's Director of Hawaiian Cultural Affairs. He provided a brief background of his work experience.

#### **5. Presentation and Discussion of Market Insights and Current Market Conditions**

Mr. Fried acknowledged Mr. Nahoopii for his "good work" with the tourism research data he has been providing through his office.

Mr. Nahoopii began his PowerPoint presentation with the comment that the "markets are responding well after Brexit." He referred to a handout entitled "Market Insights-May 2016," which included dashboards of key performance indicators ("KPI") in each major market area. The handouts were previously distributed to the Board for consideration. He reported that arrivals from the U.S. markets and smaller international markets caused arrivals to be ahead of projections. However, spending was "flat and declined in some areas." Although the "Japan market looks good because of the yen exchange rate," the Japan visitor's "spending habits" are changing from "luxury" to life experiences.

Mr. Nahoopii distributed copies of the Resident Sentiment Survey prepared by Q Mark for the Board's consideration. In response to an inquiry from Mr. Dee regarding the "communication plan to stakeholders," Mr. Nahoopii stated that the Survey is made available to the media. A formal presentation will also be made to the contractors. Mr. Dee added that the Survey should be shared because there are "a lot of good insights." Mr. Nahoopii stated he would be working with Charlene Chan, HTA Communications Director, to develop a communication plan.

In regards to a question from Mr. Fried whether 1,660 is a good sample size, Mr. Nahoopii responded that it was a good sample size and 400 is a "robust sample." Mr. Fried noted that resident sentiment "seems to be steady since 2010" and despite more "tourism impact." Mr. Nahoopii acknowledged the resident's sentiment did not reflect a significant drop despite the greater impact. However, we "need to move more visitors to the neighbor islands."

Finally, Mr. Nahoopii advised the Board of “in-market studies” being conducted in Asia to assist contractors in developing their respective market.

## **6. Presentation, Discussion and Approval of HTA’s Financial Reports**

Mr. Togashi requested Board approval of the financial reports for April 2016. He will also be “recapping the fiscal year 2016 expenditures at the next board meeting.” The 2016 fiscal year budget reallocations have also been posted on the HTA board website.

Ms. Stone moved to approve the HTA financial reports for April 2016. Mr. Dee seconded the motion, which was unanimously approved by all the Board members present and without any objection.

## **9. Presentation and Discussion by AEG Regarding an Update of Hawaii Convention Center Recent Activities**

Ms. Orton provided a PowerPoint presentation entitled “June 2016 HTA Board of Directors Update.” In regards to the convention center’s May financials, she reported the net income for May (\$72,000) was better than budgeted. Although there was a “good mix of business,” revenues “did not pan out because one international event had canceled.” She noted the “percentage flow through” for food and beverage was down because of that one canceled international event. The return on investment was reported to be \$11.09 returned to the State for every dollar spent by the convention center.

In regards to convention center sales, Ms. Orton presented the various events scheduled for July. She noted July was typically a “slow month” and referenced the “high hotel rates during the summer.” She reported 4,230 room nights were closed in May. At this time, AEG has reached 29% of its room night goal. She expressed optimism of reaching the goal “because of the large number of tentatives.” Finally, she displayed photos of various events held at the convention center, including the 1<sup>st</sup> Annual Region Summer Volleyball Classic. The organizer of the Volleyball Classic incurred a \$5,000.00 expense to ship the courts.

In response to a question from Mr. Fried, Ms. Orton stated that the volleyball courts purchased by the convention center is scheduled to arrive in September or October.

## **8. Presentation and Discussion by AEG Regarding an Update of Sales Initiatives and Hawaii Convention Center Performance**

## **9. Discussion and Approval of the HTA Fiscal Year 2017 Budgets for the Tourism Special Fund and the Convention Center Enterprise Special Fund**

In response to a request by Ms. Orton to discuss sales initiatives in an executive session, Mr. Fried also noted that the agenda item related to the HTA fiscal year 2017 budgets should also be discussed in executive session. In response to an inquiry from Mr. Kinkley, Mr. Togashi and

Ms. Orton represented that the information being presented under those agenda items must be kept confidential to protect Hawaii's competitive advantage as a visitor destination. Mr. Kinkley advised the Board that in regards to the budgets, he understands the confidential information appears to be in the "detailed worksheets" and not in the "formal" summary budget.

Ms. Stone made a motion to conduct an executive session pursuant to sections 92-5(a)(8) and 201B-4(a)(2), HRS, for the purpose of discussing information that must be kept confidential to protect Hawaii's competitive advantage as a visitor destination. Mr. Nakamura seconded the motion, which was unanimously approved by all the Board members present without any objection.

The meeting was recessed for the Board to conduct an executive session at 10:05 a.m. The meeting was reconvened at 2:03 p.m.

It was noted that the Board discussed the convention center sales initiatives and detailed budget information.

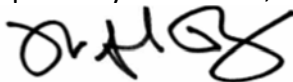
Mr. Togashi presented the HTA fiscal year 2017 budgets for the Tourism Special Fund and the Convention Center Enterprise Special Fund, identified as "HTA Tourism Special Fund, FY 2017 Budget, version: June 29, 2016" and "Convention Center Enterprise Special Fund Budget, FY 2017; June 29, 2016 Version." He noted that the Board had requested that the respective budgets should be amended in the manner discussed in executive session.

Mr. Nakamura made a motion to approve the HTA fiscal year 2017 budgets for the Tourism Special Fund and the Convention Center Enterprise Special Fund, as discussed in detail in executive session and as presented by Mr. Togashi during the public meeting, that were identified as "HTA Tourism Special Fund, FY 2017 Budget, version: June 29, 2016" and "Convention Center Enterprise Special Fund Budget, FY 2017; June 29, 2016 Version," and as amended in executive session. Ms. Stone seconded the motion, which was unanimously approved by all the Board members present without any objection.

## **10. Adjournment**

The meeting was adjourned by consensus at 2:07 p.m.

Respectfully submitted,



---

Winfred Pong  
Recorder