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HOʻOKAHUA HAWAIʻI STANDING COMMITTEE MEETING
HAWAIʻI TOURISM AUTHORITY
Tuesday, November 21, 2023, at 9:00 a.m.
VIRTUAL MEETING

MINUTES OF HOʻOKAHUA HAWAIʻI STANDING COMMITTEE MEETING

MEMBERS PRESENT:	Mahina Paishon-Duarte (Chair), Dylan Ching (Vice-Chair), Kimberly Agas, Mufi Hannemann
MEMBER NOT PRESENT:	Sherry Menor-McNamara, Sig Zane
HTA STAFF PRESENT:	Daniel Nāhoʻopiʻi, Kalani Kaʻanāʻanā, Caroline Anderson, Maka Casson-Fisher, Carole Hagihara, Iwalani Kūaliʻi Kahoʻohanohano
LEGAL COUNSEL:	John Cole

1. **Call to Order and Opening Protocol**

   Chair Duarte called the meeting to order at 9:08 a.m. Mr. Casson-Fisher used the analogy of moon phases to reassess the projects and be prepared for the rainy seasons.

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

   Mr. Casson-Fisher did the roll call. All were confirmed in attendance, and that they were alone. Ms. Menor-McNamara and Mr. Zane were excused.

3. **Approval of Minutes of the October 6, 2023 Hoʻokahua Hawaiʻi Standing Committee Meeting**

   Mr. Ching made a motion to approve the minutes. Ms. Agas seconded. Mr. Casson-Fisher did the roll call, and the motion was approved unanimously.

4. **Presentation, Discussion and/or Action on Select FY24 Program, Contract, and Budget Reallocations Related to Funding Incremental Marketing Programs in CY24**

Chair Paishon-Duarte asked Mr. Kaʻanāʻanā to begin the presentation. He explained that the items that were highlighted were those falling within the purview of the Hoʻokahua Standing Committee. Incremental funding, which had already been discussed at the Branding Standing Committee and the Budget and Finance Committee, was displayed at the top of the spreadsheet. This meeting aimed to designate savings and cuts to cover the current funding deficit of $13.45 million.

Program savings that had been identified referred either to unspent funds or funds that had already been budgeted but in which there was some leeway. Mr. Kaʻanāʻanā explained that program savings were different from program cuts. Possible cuts had been identified by the HTA staff, reflecting items already discussed by the Branding Standing Committee and the Budget and Finance Committee. Despite the work done so far, it had not been possible to remove the remaining deficit of $394,000, but the aim was for the deficit to be zero.

Mr. Kaʻanāʻanā outlined five budget items in which cuts were envisioned. The first was DMAP implementation programs valued at $1.5 million, which were to be postponed. Ms. Anderson explained that these were funds to support the next iteration of DMAP, which were to be approved in the May Board meeting. The programs would be implemented starting in July. Mr. Kaʻanāʻanā added that the appropriation for the Fiscal Year 2025 was not likely to enter the HTA accounts before September, so it was possible that the timing of implementation might move into FY25.

The budget item for ʻŌlelo Hawaiʻi was to be reduced from its original amount of $500,000 to $125,000. This program supported digitization and had already been funded up to March. The cut concerned the next phase, which was to begin the following April. The staff had proposed cutting the Hawaiian Culture Initiative, which is valued at $420,000. This contract was likely awarded to NaHHA, although procurement had not yet occurred. Cutting this item would mean that services would be eliminated in the current fiscal year but could be restarted in the next fiscal year.

Market Support for Sales Missions in Calendar Year 2024, valued at $30,000, was to be cut. This referred to funds for cultural practitioners who accompanied global brand marketing teams to carry out activities to enhance their exhibits during trade shows or blitzes. Essentially, this was a team promoting Hawaiian Culture.
The Maʻemaʻe Toolkit, valued at $25,000, was a one-time update to this toolkit, which

was a resource enabling partner to accurately portray Hawaiian Culture. This would cut the Calendar Year 2024 update to the toolkit.

Chair Paishon-Duarte expressed her hope that the important work being carried out with communities would not be stalled due to cuts in the DMAP budget. Ms. Anderson explained there had been a delay in issuing the RFP to implement the next phase of DMAP. This had now been drafted and was being reviewed by the HTA contract team. The current phase of DMAP was being implemented by the Visitors' Bureau, which still had funds for this.

Mr. Kaʻanāʻanā expressed disquiet about expenditure being pushed into the next fiscal year since assuming that the next fiscal year would have a larger allocation was risky. This method would make future budget management more difficult. However, Ms. Anderson explained that funds had already been allocated for FY2025. The $1.5 million for DMAP under discussion was 2024 funding, which had not yet been implemented because the RFP had not yet been issued. Chair Paishon-Duarte commented that this was not a sound business philosophy.

Mr. Ching pointed out that reducing items that had already been budgeted for was always an alarming process, but he understood that circumstances made it necessary at this time. He supported the proposal by Ms. Anderson and Mr. Kaʻanāʻanā. He was unhappy about the cut in support of NaHHA since this was the core funding that had always been given to this organization. Mr. Kaʻanāʻanā explained that the last NaHHA contract ended in June 2023, and there was no other procurement after that. The winner of the RFP would become eligible to receive FY2025 funds in July 2024. If this item were not cut, the RFP could be issued immediately, and the contract would begin at once.

Mr. Hanneman had been alarmed at the proposed cuts in DMAP implementation because this was vital to community support for tourism rebranding. He understood from Ms. Anderson's comments that community involvement would not be compromised. He was concerned about the proposed elimination of NaHHA services because this organization had been a reliable partner for the HTA. However, the recommendations by staff and the Board emphasized the priority of these cuts.

Mr. Agas was also concerned about the cuts to DMAP but was grateful for the reassurances from the team and Ms. Anderson. She hoped this process would not have to be repeated next year. She reiterated that NaHHA was a critical partner for the HTA. Chair Paishon-Duarte thanked each of the members for expressing their opinions. She was also concerned about deferring the next phase of DMAP and hoped not only that this process would not be necessary in the following year, but also that the budget allocation of DMAP would be increased in subsequent years. Secondly, she did not support eliminating the NaHHA budget item but would accept reducing it by up to 50%. This was because of the importance of Hawaiian Culture in the HTA Strategic Plan. She had the impression that only a small proportion of the total budget and resources of the HTA was allocated to contractors who were focused on preserving Hawaiian Culture. Mr. Kaʻanāʻanā suggested examining the effect of halving the budget allocation to the NaHHA contract. He also noted that staff noted that the deficit could be offset by considering cash flow. In that case, cuts could be reduced, although using cash flow would mean sending expenditures ahead to FY25. Mr. Choy suggested that incremental requests should be reconsidered to preserve some items even though the Board had approved them.

Chair Paishon-Duarte asked for recommendations, and it was mentioned that the Budget and Finance Committee had also suggested adjusting the budget on a cash flow basis, implying that the budget for FY25 would be modified. Other options to avoid cuts or reductions would be to reduce the budget for the Japan or U.S. marketing programs, given that the first phase of the U.S. marketing program had already been expended. If the contract for NaHHA were not cut, the deficit would be $814,365, which could be cleared if the full Board approves using cash flow to cover incremental amounts.

Mr. Ching favored not cutting NaHHA but felt it would be preferable not to reconsider cutting increments, which had already been discussed. However, he suggested that reducing the Japan recovery marketing program might be possible. Mr. Hannemann pointed out that the Branding Standing Committee had already decided that it would be better not to make any changes to the incremental budgets for Japan or the U.S. because Japan was an important market. The U.S. is the market that is supporting Hawaiʻi tourism at present. He felt cutting the Canada marketing program was preferable, leaving the U.S. and Japan untouched. He concurred with Chair Paishon-Duarte's hope that cutting the NaHHA contract could be avoided.

Ms. Agas stated that as a hotelier, she agreed with Mr. Hannemann and supported the Chair. She hoped that at least 50% of the NaHHA contract could be protected. She agreed that the increments for the U.S. market should be untouched, but she was unsure about the time necessary for the Japanese market to return to normal and felt that the yen exchange rate had a vital role to play.

Based on the preceding discussion, Chair Paishon-Duarte suggested that the NaHHA contract be reduced by $120,000 to $300,000. Mr. Kaʻanāʻanā reminded the committee that it was important to remember that this was a contract for a contractor to provide services for Hawaiian Culture initiatives. It had to pass through an official procurement process that would affect timing.

The Vice-Chair proposed a motion to accept all the recommendations for budget cuts as presented by the staff except the Hawaiian Culture Initiative Contract, which would be reduced from $420,000 to $300,000, a saving of $120,000. Mr. Hannemann seconded the motion, and it was carried unanimously.

5. Presentation, Discussion and/or Action on Weekly Hoʻokahua Hawaiʻi Standing Committee Meetings

Chair Paishon-Duarte stated that she and Mr. Kaʻanāʻanā had recently participated in a tourism panel at the CNHA convention on Maui, at which she presented the HTA's intention to seek out the best ideas to shift state-wide tourism towards a regenerative model. To achieve this, input was needed from retailers, hotels, airlines, attractions, and agricultural businesses. The HTA had aligned itself with communities whose aim was regenerative tourism and was searching for strategies and models to move the tourism dial in this direction.

Chair Paishon-Duarte felt that the Hoʻokahua committee could function as a channel through which community members could put forward their best ideas to the HTA. Further, Mr. Ching and Mr. Kaʻanāʻanā were interested in getting information about models that were already working, whether hotels, restaurants, or airlines. Some of these organizations were making incremental progress and should be supported and emulated.

This was why Chair Paishon-Duarte and the Vice-Chair proposed that this committee conduct weekly meetings of no more than 45 minutes, if possible, to utilize the HTA channels to receive the best ideas from the community. Committee meetings would seek the answers to two questions:

1. Which models were already working, and what could be learned from each of them?

2. What innovative ideas were available to further the regenerative tourism model?

Mr. Hannemann supported this idea and believed that it was in keeping with the tourism industry's aim to seek the opinions of community members so that they would feel part of the process. The tourism industry benefited when ideas came from community members and when communities did not assume that all innovations should originate from major stakeholders. This was also in keeping with the DMAP process. Even though there would be issues on which there was disagreement, it was important for the tourism industry to be seen as speaking with a single voice. This would enable the HTA to live up to the title “Authority.” The HTA needed to be armed with the best information and input from all sectors of the community to represent our community and the hospitality industry effectively in general. Instituting weekly meetings would mean that every member had to commit to being present every week. Chair Paishon-Duarte agreed with Mr. Hannemann’s comment that community feedback was in keeping with the DMAP process.

Ms. Agas appreciated using as many resources as possible to obtain the best input. Continuing to open up would encourage greater community involvement. She was concerned that scheduling weekly meetings might make establishing a quorum problematic, although if the meeting was mainly for information input, that might not be an issue. The HTA has to make decisions, some of which would be unpopular. Ms. Agas was in favor of the move to make committee meetings weekly.

Mr. Ching was also in support. He pointed out that different sections of the tourism industry were at various stages of switching to regenerative tourism and more responsible travelers. Not everyone was committed to this change, but the HTA had decided long ago to make this change. Progress took time, and sometimes, people were disappointed by the lack of instant progress. Over the past two years, he noted that the language used sometimes implied that some people were not positive about supporting responsible tourism. Mr. Ching cited his experience that the most common complaint in every business was a lack of communication. This was sometimes used as an excuse even when it was not true, but in general, he had realized that it was essential to provide as many options as possible. In particular, he recommended giving opportunities for people to contribute workable ideas rather than coming to the HTA with problems that needed solving. Experience has shown that the most effective solutions to problems usually occur at the community level. Mr. Ching supported weekly meetings of this committee and undertook to make every effort to be part of them.

Chair Paishon-Duarte responded that certain community segments needed to do more to support regenerative tourism. It was a healthy exercise to hold the community accountable. The HTA needed to hear ideas, but these needed to be organized and practical suggestions that could be worked on and channeled to other partners.

Mr. Kaʻanāʻanā stated that he concurred with the support expressed by the previous speakers, especially Mr. Ching. The steering committees on the various islands had mechanisms that could be enhanced, and destination managers were another layer of this. The Board had established programs that were investments in shifting the industry towards regenerative tourism. The Destination Stewardship contract with Kilohana involved community tourism collaboratives encouraging regenerative tourism. Weekly meetings of the Hoʻokahua Standing Committee would enhance all these processes.

Mr. Kaʻanāʻanā pointed out that Mr. Cole would need to support the standardization of language because weekly meetings would be a burden for the HTA staff to meet legal requirements for meeting agendas and packets. He suggested that it might be possible to standardize language and a template for the agenda since the primary purpose of the meeting would be to get feedback. Mr. Cole responded that this would probably be possible.

Chair Paishon-Duarte stated that her preference would be for the meeting to be scheduled at the same time and day every week, with just two agenda items. She would work with Ms. Anderson to develop two or three standardized questions. She intended that the meeting duration be 45 minutes maximum, emphasizing receiving information and ideas without necessarily involving discussions. Chair Paishon-Duarte suggested that two draft questions to be answered at each meeting would be:

"1. What measures are working, and what can we learn from these measures?"

"2. What new ideas are available to support a move closer to a regenerative tourism model?"

Chair Paishon-Duarte and Mr. Ching would work together to develop additional questions, and Chair Paishon-Duarte requested committee members to send contributions and suggestions by email.

Mr. Hannemann suggested that meetings could be opened to all Board members. He felt that this might be helpful to quorum issues, and it would also make Board members aware of the work of this committee. Mr. Cole stated that while other Board members would be free to attend these committee meetings, their presence did not contribute to the quorum. He also pointed out that the committee meeting could not start without a quorum. If the quorum were to be lost during the meeting, some strategies could be used to continue the meeting. He also pointed out that making a motion to approve this agenda item was unnecessary. The purpose of these weekly meetings would be to receive public comments and information.

Chair Paishon-Duarte clarified that one of the weekly meetings would be the regular monthly meeting. Mr. Hannemann asked whether a quorum would still be necessary if the purpose of the meeting were to receive information rather than to make decisions. Mr. Cole pointed out that although specific interactions were permitted, others were prohibited. He recommended maintaining the structure of a regular committee meeting but promised to check on the legal aspect.

6. Adjournment

Chair Paishon-Duarte called for an adjournment and thanked the committee members for their time and input. The meeting was adjourned at 10:07 a.m.

Respectfully submitted,

Sheillane Reyes

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Sheillane Reyes
Recorder