

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM (DBEDT)  
MINUTES OF THE COMMISSION ON THE 13<sup>TH</sup> FESTIVAL OF  
PACIFIC ARTS & CULTURE (FESTPAC) MEETING

**WEDNESDAY, OCTOBER 9, 2019, AT 9:00 A.M.**

HAWAI'I CONVENTION CENTER  
1801 KALĀKAUA AVE., BOARD ROOM A  
HONOLULU, HAWAI'I 96815

Commission Members Present were:

J. Kalani English, Chair	-	Senate President's Designee
Māpuana de Silva	-	Community Member At-Large
Mehanaokala Hind	-	Office of Hawaiian Affairs
Kalani Ka'anā'anā	-	Hawai'i Tourism Authority Designee
Monte McComber	-	Governor's Designee
Richard Onishi	-	House Speaker's Designee
Randy Tanaka	-	Department of Business, Economic Development & Tourism (DBEDT's) Designee

Guests:

Jacob Aki	-	Senator English's Office
Maka Casson-Fisher	-	Hawai'i Tourism Authority
LeeAnn Choy	-	Pacific Rim Concepts, LLC
Lawson Fernandes	-	Mayor's Office of the Culture and Arts (MOCA)
Honey Maltin-Wisot	-	Strategies 360
June Matsumoto	-	Pacific Islands Institute
Michael Pili Pang	-	PA'I Foundation
Jay Rojas	-	PA'I Foundation
Vicky Takamine	-	PA'I Foundation
Dorrett Tanno	-	Royal Hawaiian Center
John White	-	Strategies 360

Staff:

Margaret Ahn	-	Attorney General's Office
Dennis Ling	-	DBEDT
Jamie Lum	-	DBEDT
Selma Malcolm (Recording)	-	DBEDT

Apologies:

Snowbird Bento	-	Commissioner - Community Member At-Large
Misty Kela'i	-	City & County of Honolulu Designee

CALL TO ORDER:

The meeting was called to order by Chair English on Wednesday, October 9, 2019, at 9:10 a.m., who welcomed everyone present.

APPROVAL OF SEPTEMBER 26, 2019 MEETING MINUTES:

Minutes of the meetings held on Thursday, September 26, 2019, were unanimously approved unamended on a motion by Representative Richard Onishi and seconded by Mr. Kalani Ka'anā'anā.

OLD BUSINESS:

A. DBEDT Report:

Mr. Dennis Ling presented DBEDT's report. He reported the following:

2017, 2018 and 2019 Expenditure/Encumbrance Report of State Funds Appropriated for FESTPAC 2020:

FESTPAC Revenues and Expenditures/Encumbrances for 2017, 2018 & 2019; the total amount appropriated for each year; the percentage set aside; amount reserved for audit and administration; amount encumbered for PA'I Foundation; contracts with Pacific Island Institute and the Hawai'i Convention Center; payments for travel to Fiji and administrative expenses, etc. From the 2019 appropriation of \$1 million, currently there is a balance of \$895,166 that is not yet encumbered or spent. Copies of the report were distributed to the Commissioners. During discussion, Representative Onishi suggested that a letter be sent to Governor Ige requesting the release of the 10 percent set aside from the 2019 budget.

Motion was made by Representative Richard Onishi and seconded by Mr. Kalani Ka'anā'anā recommending that DBEDT prepare a letter on behalf of the Commission to Governor Ige requesting the release of the set aside funds in 2019.

Motion was passed unanimously.

Regarding the FESTPAC Commission Delegation to Te Matatini, Aotearoa, New Zealand in February 2019 to promote FESTPAC, Chair English requested that Mr. Ling/DBEDT research what fund the reimbursement to PA'I Foundation came out of and if it came from the wrong fund, to correct the matter.

Allowable Features for FESTPAC Website:

Mr. Ling reported that he contacted the Enterprise Technologies Services (ETS) while Ms. Ahn contacted the Ethics Commission and they were advised that the Commission can include on the FESTPAC website the list donors and their logos and links to hotels at which attendees may book their rooms. Regarding the sale of merchandise on the website, Chair English stated that the Commission proposes selling logo merchandise created in Hawai'i as a means of fundraising. Ms. Ahn indicated that she would ask the Ethics Commission and report at the next meeting. She also stated that the Ethics Commission affirmed that the State can receive the rebates back from the hotel rooms subject to approval/confirmation from the State Procurement Office. Mr. Ling stated that DBEDT may be able to establish a trust fund for FESTPAC to receive these rebates. Mr. Ka'anā'anā requested something in writing from the Ethics Commission.

Other Reports:

Pacific Island Institute (Logistics Contractor) Update on:

Housing – University of Hawaii, East-West Center:

Mr. Tanaka stated that Ms. Matsumoto of Pacific Island Institute has been working with the University of Hawaii (UH) and the East-West Center on housing. He stated that the total cost for the 1800 rooms including meals is approximately \$1.5 million and a preliminary deposit of \$258,000 is required to hold the beds and that the remaining balance of approximately \$1.2 million is due on December 16, 2019. However, he is trying to negotiate a new payment arrangement with the UH for February or March 2020. Linens will be required for the rooms and they are trying to maximize the number of beds with rollaways, but that the UH does not carry rollaways, so this will incur an additional cost. Ms. Matsumoto stated that recently the UH advised that the meal price will be adjusted to reflect an increase. The menu will be reviewed.

Regarding hotel accommodations, Ms. Matsumoto stated that the Ala Moana Hotel offered the lowest price per night (\$205.78 per night all inclusive). She is currently working on in-kind sponsorship opportunities. Mr. Tanaka advised that the total package for housing and meals is approximately \$1.8 to \$1.9 million. He noted that he is currently working on the indemnification clause and the schedule of payments for the contract with the UH. Chair English stated that government agencies (both sides) don't indemnify and the Commission needs to find someone to take on liability and insurance.

Mr. Ka'anā'anā inquired whether there were any contingencies for damages to linens, etc., as it is not reflected in any budget. Ms. Matsumoto stated that each delegation is required to make a security/key deposit of \$25.00 per person to cover certain damages. She stated that due to the nominal deposit, the UH is requesting 6-8 weeks after the event for the reimbursement.

Motion was made by Representative Onishi and seconded by Mr. Kalani Ka'anā'anā to expend the \$258,000 for the deposit to the University of Hawai'i.

The motion was passed unanimously.

Ms. Takamine reported that the New Zealand delegation is ready to make a deposit on their accommodation and suggested that PA'I Foundation bill them for the deposit, give them a general idea of what the total is going to be and then invoice them for the total at the end. The Commission concurred.

PA'I Foundation:

Ms. Takamine reported the following:

Strategies 360 and PA'I Foundation met with Mr. McComber to resolve issues relating to outstanding deliverables and invoices in their contract. Ms. Takamine informed the Commissioners that Strategies 360 agreed to provide PA'I Foundation with all the deliverables by the end of October 2019 and that a payment plan proposed by Mr. White of Strategies 360 was agreed upon. Chair English stated that the next Commission meeting will be held on October 23, 2019 and requested a written agreement between PA'I and Strategies 360 by October 22, 2019, so that the document will be available for discussion and approval at the next meeting.

Regarding continuing the services of Strategies 360, Mr. Ka'anā'anā inquired who will be developing the Scope of Service to work with the Commission and the Secretariat for communication policy and strategy. Ms. Takamine stated that PA'I Foundation will be developing that contract and that discussion was held with Strategies 360 about the contract that DBEDT sought approval for at the last meeting and both parties agreed that moving forward, PA'I Foundation should assume that responsibility because they are providing all the information for the website. The new contract will be presented to the Commission for its approval.

Representative Onishi stated that the new contract between PA'I Foundation and Strategies 360 should have a completion date at the end of FESTPAC, so funds can be expended. He also requested the details of this new phase two contract, as well as the written agreement between PA'I Foundation and Strategies 360 to settle the first contract based on the meeting at which Mr. McComber was the mediator.

Mr. McComber stated that for the first phase one contract, the outstanding amount is \$38,198.63, and for the outstanding reimbursements, PA'I Foundation agreed to pay Strategies 360 \$20,378.81 and the remaining balance of \$18,819.82 will be paid upon the completion of the launch of website 2.0. Also, PA'I Foundation and Strategies 360 are discussing the final contents of a donors strategy which was agreed to be augmented at a later date under the guidance of a fundraising professional to be agreed upon by PA'I

Foundation and Strategies 360; and the development of a communication strategy to be completed by October 22, 2019, to close out the first contract.

Ms. Ahn stated that regarding accountability, the subcontractor is considered an employee of the contractor and if the subcontractor is not fulfilling its duties, the contractor is ultimately responsible for the subcontractor.

Ms. Takamine reported that PA'I Foundation will extend its contract with Strategies 360 and include the deliverables and request a status report to submit to the Commission on October 22, 2019.

Representative Onishi asked Ms. Takamine if a professional fundraiser is one of the positions that PA'I requested to hire and if they will be working with Strategies 360.

Ms. Takamine stated that Strategies 360 will be developing sponsorship opportunities. Mr. White explained that Strategies 360 will play a supporting role to assist in the sponsorship recruitment and marketing strategy, but the primary role will be played by PA'I Foundation.

Mr. Ka'anā'anā expressed that PA'I has reported on developing these fundraising strategies before and requested that they get done.

At this point, Chair English requested an Executive Session to discuss the contract with PA'I Foundation and its fundraising requirements.

Motion was made by Representative Richard Onishi and seconded by Ms. Mehana Hind that the Commission go into an Executive Session to consult the Commission's Attorney pursuant to section 92-5(a)(4) of the Hawaii Revised Statutes.

Motion was passed unanimously.

The Executive Session was from 10:39 a.m. to 11:27 a.m.

Mr. Kalani Ka'anā'anā left the meeting at 11:27 a.m.

In open meeting, Chair English advised Ms. Takamine that the Commission will negotiate the terms of the contract with PA'I Foundation and appointed Mr. McComber to represent the Commission, and Mr. Tanaka and Mr. Ling to represent DBEDT. DBEDT will submit a report at the next Commission meeting.

NEW BUSINESS:

A. Public Relations/Communications and Marketing for the Festival:

While reporting on his trip to the region, Chair English indicated that several of the Pacific Island nations requested new invitation letters to FESTPAC due to changes in government and/or political unrest. He then suggested that invitations be sent to all the participating nations to remind them of the FESTPAC. In the case of Tonga, a personal invitation should be sent to their King in addition to the government. The estimated number of delegates from the following countries that will be attending the Festivals are: Tuvalu 30-60; Tonga 50; Palau 50 and the Marshall Islands 30-40.

Chair English advised the Commissioners that the Indigenous People of Taiwan indicated that they will be visiting Hawai'i before the end of the year for a walk-through.

He thanked everyone for attending the meeting especially Ms. Hind for her assistance during the trip in the region.

DATE OF NEXT MEETING:

The next meeting was scheduled for Wednesday, October 23, 2019, at 11:00 a.m., at the Hawai'i Convention Center, Executive Boardroom B.

ADJOURNMENT:

The Meeting adjourned at 11:39 a.m.

Respectfully Submitted,

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Senator J. Kalani English  
Chair

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Date