

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

THURSDAY, SEPTEMBER 26, 2019, AT 1:00 P.M.

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

Commission Members Present were:

Snowbird Bento	-	Commissioner - Community Member At-Large
Māpuana de Silva	-	Community Member At-Large
Kalani Ka'anā'anā	-	Hawai'i Tourism Authority Designee
Dennis Ling	-	Department of Business, Economic Development & Tourism (DBEDT)
Monte McComber	-	Governor's Designee
Richard Onishi	-	House Speaker's Designee

Guests:

Donalyn Dela Cruz	-	Strategies 360
Honey Maltin-Wisot	-	Strategies 360
June Matsumoto	-	Pacific Islands Institute
LorMona Meredith	-	Pacific Islands Institute
Daniel Nahoopii	-	SMS Research & Marketing
Michael Pili Pang	-	PA'I Foundation
Jay Rojas	-	PA'I Foundation
Malia Sanders	-	Native Hawaiian Hospitality Association
Vicky Takamine	-	PA'I Foundation

Staff:

Margaret Ahn	-	Attorney General's Office
Selma Malcolm (Recording)	-	Department of Business, Economic Development & Tourism (DBEDT)

Apologies:

J. Kalani English, Chair	-	Senate President's Designee
Mehana Hind	-	Office of Hawaiian Affairs
Misty Kela'i	-	City & County of Honolulu Designee
Mike McCartney	-	Department of Business, Economic Development & Tourism (DBEDT)
Randy Tanaka	-	DBEDT

CALL TO ORDER:

The meeting was called to order by Mr. Kalani Ka'anā'anā on Tuesday, September 26, 2019, at 1:09 p.m., who welcomed everyone present.

APPROVAL OF SEPTEMBER 3, 2019 MEETING MINUTES:

Minutes of the meeting held on Tuesday, September 3, 2019, were approved on a motion by Representative Richard Onishi and seconded by Mr. Monte McComber.

Motion was passed unanimously.

Mr. Ka'anā'anā requested that the Minutes and the Commissioners' Packets including all reports be prepared and distributed seven (7) days prior to the meeting.

OLD BUSINESS:

A. DBEDT Report:

In the absence of Mr. McCartney and Mr. Tanaka, Mr. Ling presented the DBEDT's Report. He reported on the following:

Contract with Strategies 360 to Provide Services for Website and Social Media Content and Management:

DBEDT is in the process of contracting with Strategies 360 to continue to maintain, update and enhance the current FESTPAC website.

Strategies 360 (S360) was retained by PA'I Foundation for a period of six (6) months, but since June 2019, the contract had expired but Strategies 360 still maintains the website. The value of the proposed contract between DBEDT and Strategies 360 is approximately \$28,000 or \$2,500 per month plus general excise tax for 10 for months which will expire July 2020. Mr. Ka'anā'anā then indicated that at a previous meeting, he remembers the Commission set a threshold at \$25,000 and anything above that would need to be voted on by the Commission.

A motion was made by Mr. Monte McComber and seconded by Mr. Dennis Ling to approve the Department of Business, Economic Development and Tourism moving forward to contract with Strategies 360 to provide continuing services to the FESTPAC website.

During discussion, Representative Onishi expressed concern about how the communication of information relating to the website will be disseminated to everyone; the accountability; and whether the dissemination process will be done through DBEDT or individualized communication. Mr. Ka'anā'anā was also concerned about the information chain and felt that if too many people are involved, that would render the

communication ineffective and slow, and he questioned that if website management is part of the PA'I Foundation contract, why is DBEDT getting involved.

Mr. Ling informed the Commissioners that DBEDT will not be the repository nor the disseminator of information. DBEDT's expectation is for the website managers to work with the necessary parties like the Commissioners, PA'I Foundation/contractors and other entities to obtain information and communicate the information out.

Rather than finding a new website manager for FESTPAC, a procurement exemption was sought by DBEDT. The exemption was granted for the continuance of the website management by Strategies 360. The rights to the contents are owned by the State and/or the Commission. As to why DBEDT is doing this instead of PA'I Foundation, since DBEDT is responsible for all the contracts that were given out on behalf of the Commission and also for any oversight, this was deemed a practical action by DBEDT. Similarly, Pacific Island Institute was contracted to handle a portion of the housing even though that is included in the general scope of the contract with PA'I Foundation.

Mr. Ling also stated that fundraising is a concern for the Commission, and DBEDT is considering contracting that out.

There was some disagreement between DBEDT and PA'I Foundation regarding the implementation of the contract as DBEDT felt that PA'I Foundation was behind in executing certain aspects of the contract. Ms. Takamine strongly indicated that if DBEDT felt that they were lacking and haven't met certain criteria, they should have discussed it together before bringing it to the Commission. Also, Ms. Takamine said that PA'I Foundation has met most of the strategies timeline and contracts for housing have been completed. She questioned the contents of a Request for Proposal that DBEDT issued for fundraising with the lack of the scope of work required for FESTPAC. Regarding funding, Ms. Takamine stated that it has been a main concern of the Commissioners, but she is consistently working on contributions especially in-kind. Kamehameha Schools will be responsible for all the wa'a; Office of Hawaiian Affairs and other organizations agreed to contribute towards the Festivals. A request for \$1 million from the City and County of Honolulu was denied. She also made a comparison between FESTPAC and the World Conservation Congress Conference that Mr. Tanaka organized in the past, and stated that they are not comparable.

Continuing the discussion, Mr. Ka'anā'anā advised Mr. Ling to relate to both Director McCartney and Mr. Tanaka that the Commissioners really need them at the meetings as decision makers.

Ms. Takamine reported on a dispute with Strategies 360 regarding certain deliverables in their existing contract that have not been met. Mr. Ling stated that the contract with DBEDT would not stop the communication process between Strategies 360 and PA'I Foundation. DBEDT would have a direct contract with Strategies 360 along with PA'I Foundation. Representative Onishi suggested that a timetable be set for PA'I Foundation

and Strategies 360 to address their dispute and report back at the next Commission meeting. Mr. McComber was designated as the arbitrator.

The motion to approve the contract between DBEDT and Strategies 360 was rescinded.

The Commission reviewed the current contract between DBEDT and PA'I Foundation. Of the \$1.23 million encumbered and approved for the contract, \$475,000 was for administration; \$270,000 for programming; and \$20,000 for contract labor. To date, \$410,000 was paid to PA'I Foundation. Mr. Ka'anā'anā felt that it would be difficult to do everything that the contract required with limited funding, and that PA'I Foundation was being "shackled" by lack of funding provided to PA'I Foundation. Mr. Ka'anā'anā reiterated his request for essential financial documents, i.e., an income statement from DBEDT.

Representative Onishi also stated that he did not receive the budget details for Festival events he requested from PA'I Foundation at the last meeting. Mr. Rojas stated that the Requests for Proposals (RFPs) PA'I Foundation submitted at the last meeting for approval were not approved although from the contract standpoint, they do have the authorization to hire. Representative Onishi asked why they were not approved. Mr. Rojas indicated that the Commission got into a discussion about the budget and did not get to it.

Mr. Ka'anā'anā stated that there are technical fixes that the Commissioners are empowered to review and figure out how they can facilitate and hold parties accountable. Also, Mr. Ka'anā'anā stated that PA'I Foundation received a verbal notice to proceed and that PA'I Foundation should be empowered to spend as they see fit. Ms. Takamine advised that they are hesitant to hire because DBEDT is issuing RFPs and because the lack of communication exists.

Regarding reimbursables, Mr. Ka'anā'anā asked if PA'I Foundation is being reimbursed on a monthly basis for wages paid within that month. Mr. Rojas stated that that is the expectation and there is a verbal agreement between PA'I Foundation and DBEDT that the reports that they present at the meetings suffice for the monthly reports required under the contract. Mr. Ka'anā'anā strongly opposed the verbal authorization and encouraged DBEDT to avoid using them and suggested that there should be an amendment to the contract to be clear as to what is expected.

Mr. McComber left the meeting at 2:15 p.m.

B. Other Reports:

PA'I Foundation:

Deferred.

SMS Consulting (Event Evaluation and Stakeholder Support Contractor)
Presentation/Closing Report:

Mr. Daniel Nahoopii presented the closing report for SMS Consulting. Copies of the presentation were distributed to all the Commissioners. A final report will be presented to PA'I Foundation to disseminate to the Commission members.

Pacific Island Institute – Logistics Contractor:

- Ms. Matsumoto presented the Pacific Island Institute's (PII) report. She stated that PII is in the process of finalizing the dorms (1800 rooms) at the University of Hawai'i (UH). She was advised earlier that day that there's a shortage of linens because the contract was not signed for UH to order additional linens.
- East-West Center – the 200 beds are secured and the Purchase Order (PO) from DBEDT is satisfactory. Ms. Matsumoto will present the value of the PO at the next meeting.
- New Zealand will be paying for their own rooms at the dorms. Payment details are not yet available.
- Mr. Ka'anā'anā stated that Commission contract for the procurement of 1800 beds at UH for a total contract of \$1.4 million exceeds the \$25,000 threshold that the Commission set.

A motion was made by Ms. Māpuana de Silva and seconded by Ms. Snowbird Bento to approve the contracting for the 1800 beds with the University of Hawai'i and the 200 beds with East-West Center, but the motion was tabled due to the lack of funds.

- Ms. Matsumoto indicated that she would calculate New Zealand's payment then subtract that from the \$1.4 million and present the final breakdown at the next meeting for appropriate action.
- The updated list of the RSVPs has not yet been received and the deadline was extended at the 28th Meeting of the Pacific Arts and Culture (CPAC) to September 30, 2029.
- PII is holding a block at the Ala Moana Hotel which will function as a Secretariat. Rooms are also being held for the Commissioners. Ms. Matsumoto is also working with other hotels to acquire rates for FESTPAC. All the reservations and payments will be done by the hotels.

Mr. Ka'anā'anā requested Mr. Ling and possibly Ms. Ahn to enquire if they are allowed as a Commission in the State of Hawaii and DBEDT, to drive sales for hotel rooms for attendees at the festival through a State-owned website. Also, Mr.

Ka'anā'anā asked if the sponsors' logos could be posted on the website to recognize their contributions.

- Ms. Matsumoto also reported that she is currently negotiating with the hotels for a commission or a rebate for the State of Hawai'i. She is negotiating group rates as well. Ms. Matsumoto was requested to work together with Mr. Tanaka in that regard.

Report on the 29th Meeting of the Council of Pacific Arts and Culture (CPAC),
September 10-13, 2019, in Honolulu:

The report on the 29th Meeting of the Council of Pacific Arts and Culture (CPAC) was deferred until the next meeting.

NEW BUSINESS:

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

Mr. Ka'anā'anā reiterated the request that Strategies 360 and PA'I Foundation have until October 9, 2019, to work through their differences and if there's an impasse, then the Commission would step-in. Mr. McComber agreed to be the mediator between the two (2) companies.

DATE OF NEXT MEETING:

The next meeting was scheduled for Thursday, October 9, 2019, at 9:00 a.m. at the Hawai'i Convention Center. The room detail will be confirmed later.


ADJOURNMENT:

The Meeting adjourned at 3:57 p.m.

Respectfully Submitted,



Senator J. Kalani English
Chair



Date