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Hawaii News

Leaders of tourism bureau often opt for closed meetings

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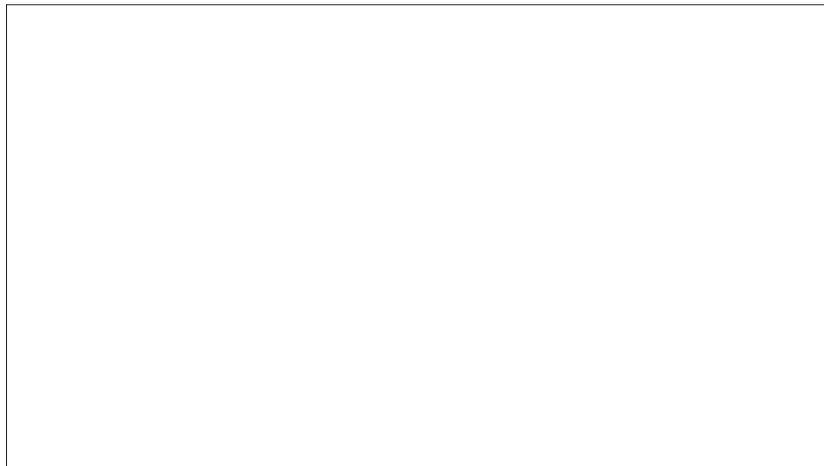
George Szigeti, left, president and CEO of the Hawaii Tourism Authority, and HTA board Chairman Rick Fried waited Friday to appear before lawmakers at a House Finance Committee hearing.

The Hawaii Tourism Authority, empowered by the Legislature to spend tens of millions of taxpayer dollars to market the islands, is operating behind closed doors at least half the time, according to a three-month review of records by the Honolulu Star-Advertiser.

The newspaper's analysis of HTA board meeting minutes dating back to 2011 shows the public portion of the meetings has decreased while the closed-door executive sessions have lengthened substantially since HTA President and CEO George Szigeti assumed leadership of the agency in May 2015.

Szigeti, who came from the private sector, said he's running HTA like a business and has the backing of his board, which is led by Chairman Rick Fried, a prominent Honolulu attorney.

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The percentage of closed-door business HTA conducts under Szigeti has more than doubled from that of his two most recent predecessors. Closed-door sessions averaged about 24 percent of the board meetings under former HTA President and CEO Ron Williams, who also came from the private sector.

Past HTA President and CEO Mike McCartney, now Gov. David Ige's chief of staff, had the best transparency record of the period, keeping more than 80 percent of his meetings open to the public.

Szigeti attributes the extra closed-door time to his requirement that Hawai'i Convention Center marketing contractor AEG provide board updates. He also pins it on an increasingly technological world.

"I am very conscious about protecting Hawaii. It's much more competitive than a few years ago," he said. "I am running HTA's operations using sound business principles."

Fried said unnecessary small talk also may have raised their average.

"One meeting annoyed me," he said. "Someone was supposedly giving us proprietary information and went on and on about the type of cookies that she made the night before."

The two make no apologies for their interpretation of laws governing open records and meetings. They say their stance is good for the state and has the approval of the state Attorney General's Office, which did not return a call from the Star-Advertiser.

HTA officials say their decisions fall under exemptions outlined in the state's open-records law and in an open-meetings exemption signed by Gov. Linda Lingle in 2010. That law, which is unique to HTA, allows them to enter into closed-door meetings to discuss "proprietary" information or to protect "Hawaii's competitive advantage."

The open-meetings exemption carries the caveat, "provided that the information relating to marketing plans and strategies may be disclosed after the execution of the marketing plans and strategies." However, HTA also has stopped releasing public spending information readily available under past leadership.

HTA has refused since September to provide the Star-Advertiser with the individual prices that it paid for sporting events in 2016 and 2017. The Star-Advertiser filed a formal open-records request in November, but HTA provided only its total sporting budget and event names. A December demand letter sent by Star-Advertiser Editor Frank Bridgewater has gone unanswered.

Public meeting minutes dating back to 2011 include numerous public discussions about pricing for sporting events, marketing contracts and campaigns. The Star-Advertiser already had access to some sports pricing through May 2016 because HTA listed them in a public relations fact sheet. But the state agency has refused to provide the Star-Advertiser with an update.

"They shouldn't have (disclosed it) in the past. Other cities and states shouldn't know what we paid," Fried said. "The overwhelming amount of information is in the public domain. There's only about eight items that we feel must be protected."

Szigeti said he doesn't want to disclose the price paid to have one particular sporting event held here because event organizers gave HTA a 50 percent price break and could be damaged if Hawaii's deal were reported.

The Star-Advertiser's attempt to obtain information from HTA mirrors the experiences of state legislators, who also are struggling to get the agency's public spending details.

Sen. Glenn Wakai (D, Kalihi-Salt Lake), chairman of the Senate's Tourism and International Affairs Committee, said last week that he also has a pending open-records request. Since early December HTA has refused to provide Wakai with budget worksheets.

Wakai, along with Senate Ways and Means Committee Chairwoman Jill Tokuda (D, Kailua-Kaneohe) and Sen. Donna Mercado Kim (D, Kalihi Valley-Moanalua-Halawa), excoriated HTA on Tuesday for a lack of transparency. The state gives HTA an annual allotment of \$82 million in transient accommodation taxes to pay for HTA's marketing

and operations, while the agency gets another \$26.5 million in transient accommodation taxes for the Hawai'i Convention Center.

"The government tries to be flexible. We gave HTA exemptions for procurement. We want to be able to be nimble. Now we have the wrong people in charge, who have figured out how to work the system and act as if it's their own personal pot with very little regard for public interest," Wakai told the Star-Advertiser.

Members of the visitor industry also want a full accounting of how the room tax money is spent.

"The funding is coming from the hotels directly, and the keeper of the keys is the Ways and Means Committee. ... Therefore HTA needs to be transparent and communicate where the funds are going very clearly so everyone is singing out of the same handbook," said Jerry Gibson, area vice president for Hilton Hawaii.

Gibson said he also wants HTA to bring its closed-door meeting average to under 20 percent. "The more we know about what's going on with HTA and what their strategies and intentions are to deliver to the marketplace, the better job we can do supporting them," he said.

Mufi Hannemann, who leads the privately funded Hawaii Lodging & Tourism Association after years in public service, said he has been stunned by HTA's recent disclosure decisions.

"Legislators, government officials and the press have every right to request information," he said. "When you are publicly funded, you can't deny the legislators the right to know. These are public taxpayer dollars."

Keith Vieira, principal of KV & Associates Hospitality Consulting, said HTA must address accountability.

"You don't want to have that acrimonious relationship with the Legislature where people think you are hiding things, because you will lose. When the information gets published, it will look like you are hiding things," he said. "Increasing executive sessions are a wake-up call. It shouldn't be the trend."

Sen. Will Espero (D, Ewa Beach-Iroquois Point) said the Legislature needs to "keep a better eye" on HTA, which is "first and foremost a public agency."

"HTA is sort of semiautonomous," he said. "If there isn't a good answer, people need to be held accountable, and heads need to roll. Those guys are making good money over there. We need to make sure it's not being wasted and it's being properly spent."

Rep. Tom Brower (D, Waikiki-Ala Moana), who was chairman of the House Tourism Committee last year, said, "The Legislature helped HTA with confidentiality. We hope that they aren't using the law to shelter information from the public."

Under pressure from lawmakers, Szigeti and Fried agreed Thursday to provide detailed budget information to committee leaders if assured that the information would be kept from the public.

But Rep. Richard Onishi (D, Hilo-Keaau-Kurtistown- Volcano), chairman of the House Tourism Committee, said Friday he is not satisfied with what HTA provided. He will meet with HTA leadership to get more budget details and marketing strategies, he said. If an understanding is not reached, Onishi said, the matter could be addressed legislatively.

“This new HTA administration has taken a stand of being overly cautious,” Onishi said. “Transparency is the most important issue between the Legislature and HTA. We are in the process of determining what should be available to the Legislature, and in this discussion we will cover what should be available to the public. This is not something that Sen. Wakai and I will ignore.”

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