

REGULAR BOARD OF DIRECTORS MEETING Thursday, March 12, 2020 - 3:30 pm Guam Visitors Bureau Main Conference Room

## **BOARD OF DIRECTORS PRESENT:**

Chairman Sonny Ada Vice-Chairman Milton Morinaga Director Stephen Gatewood Director Shun Matsumoto Director Therese Arriola Director Brad Kloppenburg Director JoAnn Camacho Director Derrick Muna-Quinata Director Paul Shimizu Director Sam Shinohara Director Satoru Murata Director Flori-Ann Dela Cruz

## **BOARD OF DIRECTORS ABSENT:**

Director Robert Hofmann

## **GVB MANAGEMENT & STAFF PRESENT:**

Pilar Laguaña
Nico Fujikawa
Dee Hernandez
Ilene Quitigua
Elaine Pangelinan
Nadine Leon Guerrero
Sydney Leon Guerrero
Josh Tyqueingo
Lisa Linek
Regina Nedlic
Angie Mamaril

Mariane Dela Cruz Juanny Sablan Tonya Formano Mai Perez Sharlene Guerrero Kraig Camacho Gabbie Franquez Colleen Cabedo Nicole Benavente Mark Manglona Kisha Garrido Taylor Pangilinan Karida Brennan Bree Garrido Maria San Nicolas Russell Ocampo Valerie Sablan Josie Villaueva Beatrix Naholowaa Annabel Certeza

## **GUESTS:**

Rose Cunliffe Anumita Kaur (Guam PDN)

## **AGENDA**

## I. CALL TO ORDER

Chairman Ada called the regular board at 3:30 p.m.

## II. MINUTES OF THE PREVIOUS MEETING

**EXHIBIT A** 

Director Gatewood made a motion, seconded by Director Camacho to approve the minutes of the previous Board of Directors meeting dated February 27, 2020. Motion Approved.

#### III. CHAIRMAN'S REPORT

- Chairman Ada did not give a report. COVID-19 and the status of the task force were the main focus of the board meeting.
- Protocol reminder to board directors and staff All information or issues that need to be addressed should go through the President & CEO.



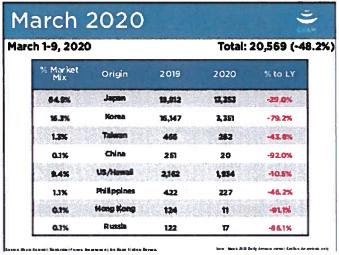
## IV. PRESIDENT & CEO'S REPORT

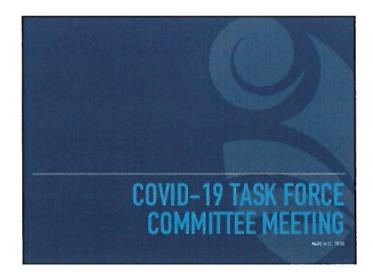


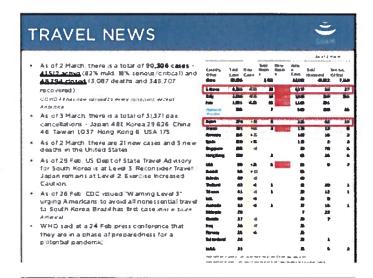


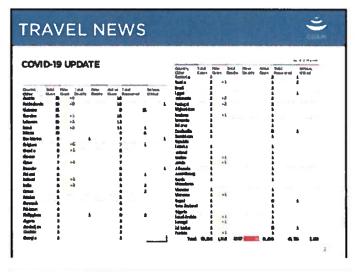




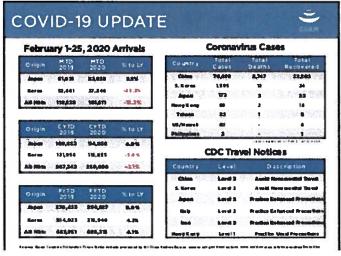




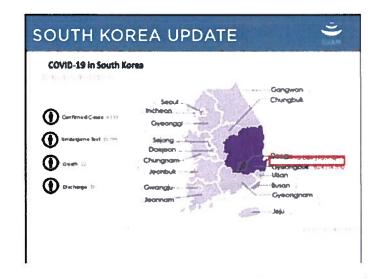


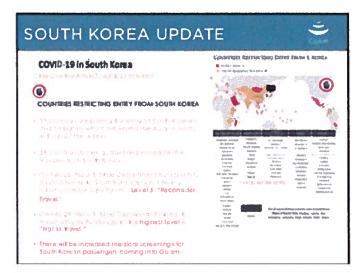


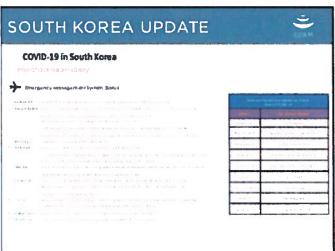




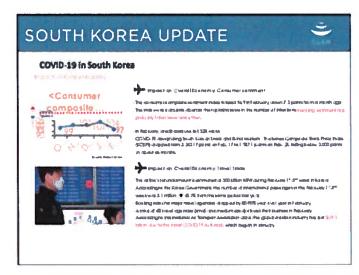


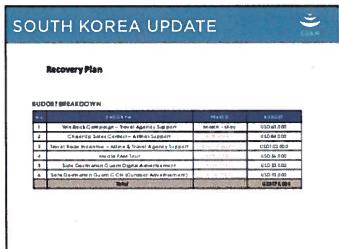


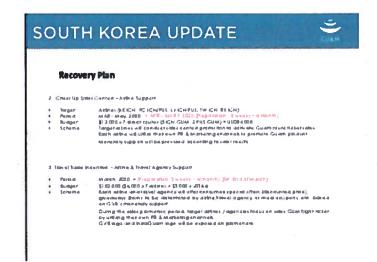






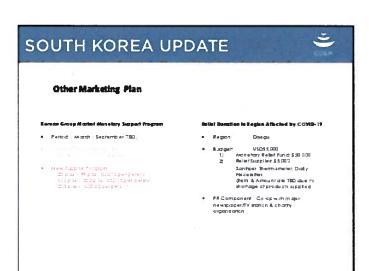




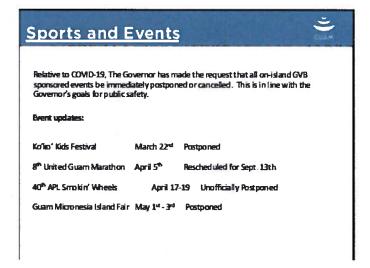
















## Marketing News

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#### **Military Tourism Promotion**

- Updating GVB Website to promote special offers to locals and military.
- Highlight the history of our island and key historical sites.
   i.e. T. Stell Newman Visitors Center, Guam Museum in Hagstna
- Guam is a great hub to our sister islands thought out Micronesia.

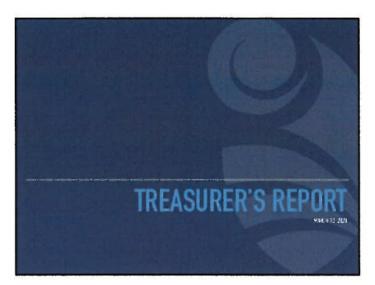


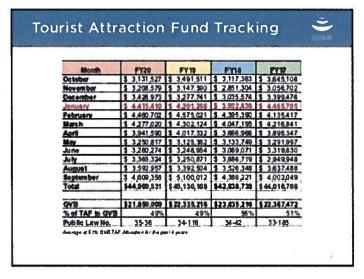


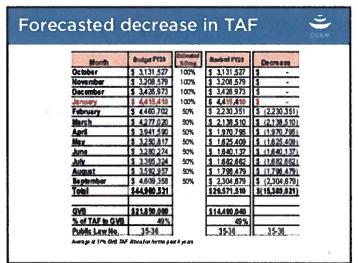
- President & CEO, Pilar Laguaña reported the Coronavirus began its impact on Guam with flight cancellations during the first week of March. Intended cruise ship arrivals were canceled as well.
- Ms. Laguaña recognized and thanked, Mr. Josh Tyquiengo and Ms. Nakisha Garrido for working on GVB's Coronavirus communication plan.
- At the request of the task force, the Research Department conducted an impact survey with GVB Membership to understand how businesses have been impacted.
- Chairman Ada requested that Tourism 2025 (T25) be placed on hold and reiterated that our focus is on COVID-19.
- Sports & Events Ko'Ko' Kids Festival, Gupot Chamorro, and the Micronesian Island Fair have all been postponed. The United Guam Marathon has been rescheduled to September 13, 2020.
- Chairman Ada, Vice Chairman Morinaga, President & CEO Laguaña, and Vice President Alvarez met with Rear Admiral, John Menoni, to introduce GVB, provide updates, discuss challenges and opportunities to foster more military tourism.
- GVB's Marketing team is currently working with PR Public Affairs Office to create a program that will
  address and attract more military tourism for Guam and the CNMI. A staycation campaign is underway.
- Rear Admiral noted that visiting ships continue to come through our island. Hotel stay, and the ability to experience Guam is encouraged.
- Team Guam Plan was released and covered by local media and will be disseminated to membership.
   We have not received any feedback from the industry concerning their thoughts or how they could take advantage of it. This portion will be included in the upcoming survey.

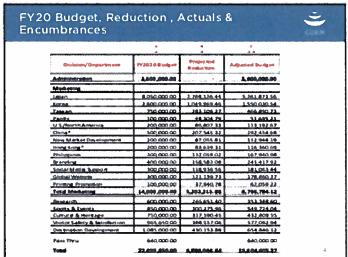
 GVB representatives were present at the Guam Pandemic Plan two-day seminar in the first week of March.

## V. TREASURER'S REPORT









- GVB's TAF projection was \$44.9M for FY20. GVB's budget was \$21.8M or 49% of the TAF. From a
  TAF perspective, we are right on track. However, based on March arrivals, the TAF collection will be
  less than 50%. Our top two markets will see a reduction of about 60% in Japan and almost 80% in
  Korea.
- Between now and the end of the fiscal year, we're tracking \$29M instead of \$44M. GVB's share is close to \$7M, a reduction in our budget.
- Based on our share of the reduced TAF collections and assuming we receive 100% of 49% of the TAF, we must accept a budget cut of \$6.9M. That is \$15.6M assuming the TAF comes in, our current estimates, and assuming that GVB continues to receive allotments at 49% of TAF projections.
- February allotment was received in full.

## **Budget Cut Consideration**

- 3
- 1. Reduction of Out of Pocket Expenses
- 2. Re-purpose funds of China & Hongkong to Taiwan Market; Cancelled Contracts for China & Hongkong office operation
- 3. Reduce of frequency/sample size of visitor exit surveys
- 4. Review G4S Contracts, timing & reduce assignments
- 5. Reduction of LMS routes and frequency
- 6. 50% Cut for Pass-Thru
- 7. Repurpose savings from CHCO & Sports & Events
- 8. Revisit Delay Board Pre-approved Capital Improvements at \$5M to cover potential cash shortfall

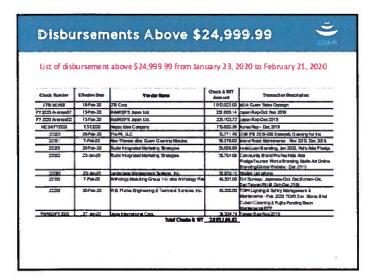
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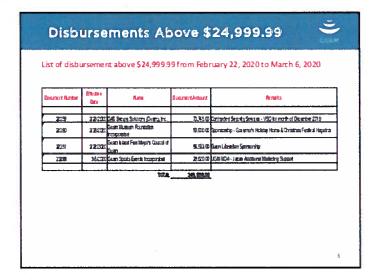
## **BUDGET CUTS**

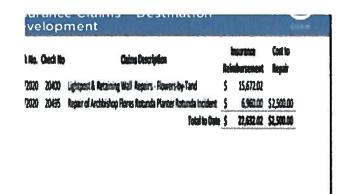
- GVB to scrub through numbers.
- Determine spend plan between now and the end of the year.
- Focus on alternate ways to sustain the market with what market presence we can have and focus on a strategic plan to enter the market once the pandemic passes.

## **PASS-THRU**

- 11 of 17 entities are compliant with Pass-Thru requirements and will receive grant funds. \$196K was released for the first quarter. The next release is scheduled for the end of March 2020.
- Pass-Thru funds have been set aside.
- Director Arriola requested that 2<sup>nd</sup> quarter disbursements be delayed until we speak to the legislature.









- Director Arriola recommended that GVB use this time to collect invoices aggressively, begin to pay any debt and to be made conscious of where our financial status is, so we know what we have to spend.
- All contracts MOUs, MOAs under review.
- Director Shinohara suggested that we look into whether or not we are obliged to fulfill commitments we've made, whether we can satisfy them at this time with the mission in mind.

## VI. CORONA VIRUS TASK FORCE

Meeting Minutes dated February 24, 2020 Meeting Minutes dated March 3, 2020

EXHIBIT B-1
EXHIBIT B-2

- On March 19, the COVID-19 Task Force held their third meeting and added additional members to include GIAA Board Member Doyon Morato, GIAA Executive Manager Tom Ada, Department of Labor David Dell'Isola, and GEDA's Ed Camacho.
- Vice-Chairman Morinaga reported Korea & Japan Market numbers have decreased, and so have reservations at PHR Ken Corp. hotels. We can expect to see a lot of changes in the industry on Guam. Downsizing will occur in the food and beverage industry with shorter hours and limited menus.
- Vice-Chairman Morinaga also noted that Josh Tyquiengo and RIMS are working on the bureau's COVID-19 Communication Plan, which includes holding and reactive statements as it relates to COVID-19.
- Proposed recovery plans for all markets are in a holding pattern due to budget issues arising and the lack of funding of the Tourist Attraction Fund. Management will examine what is most practical and will consult with JMC, KMC, and Taiwan markets to concentrate on recovery efforts.
- Docomo provided a video presentation on the weather channel to promote excellent hygiene. The airport will also run a video in the Immigrations section of the airport. As a public service, the Tri Vision outdoor screen next to the Guam Plaza will run public service videos.
- GHRA rounded up all General Managers to go over the pandemic and influenza plans; many have been told to update their policies to fit their hotel's response to the pandemic.
- A COVID-19 briefing was held on March 13, 2020, at the Department of Homeland Security/Office of Civil
  Defense. During an island-wide crisis, the Government of Guam consolidates the efforts of representatives
  from each agency to form the Joint Information Center. For emergency communication, Josh and Nakisha
  are GVB's conduits to receive and disseminate information. GVB's tourism communications is also crafted
  and managed by Josh and Nakisha.
- Gov. Leon Guerrero's Cabinet meeting was held at Adelup on 3.13.20; the Governor shared information that was made public.
- Official releases are disseminated to our membership.
- Our monthly visitor arrivals release will continue as usual. The Governor's office does not want to interfere
  with our standard process. We need to communicate our numbers to the front office.
- GVB will continue to draft and disseminate Quarterly arrival releases.

- Director Shinohara would like to ensure that Josh & Nakisha have the workforce needed for support through
  our crisis communications plan. He shared that the President addressed the nation about travel bans into
  the US and noted that we should be mindful of what is going on nationally. It is no longer just isolated to the
  Asia Pacific region, but it is a global issue. We should adequately prepare by staging orders for hand
  sanitizers and other protective gear and materials.
- GHRA is coordinating a working group and will offer a pandemic plan workshop next week.
- Director Arriola suggested that GVB include a distant social interaction plan that incorporates an internal triage screening into its pandemic plan during its current update.
- Director Camacho suggested that management inquire to learn more about GHRA's pandemic plan for the hotels.
  - A. DESTINATION MANAGEMENT
  - **B. VISITOR & SAFETY SATISFACTION**
  - C. CULTURAL & HERITAGE
  - D. RESEARCH / MEMBERSHIP & COMMUNITY OUTREACH
  - **E. SPORTS & EVENTS**
  - F. AIR SERVICE DEVELOPMENT
  - G. JAPAN
  - H. NORTH AMERICA & PACIFIC MARKETS
  - I. NEW MARKETS
  - J. KOREA
  - K. GREATER CHINA
- VII. OLD BUSINESS
- **VIII. NEW BUSINESS**
- IX. EXECUTIVE SESSION

Director Shinohara made a motion, seconded by Director Camacho, to enter into executive session at 4:51 p.m.

X. ANNOUNCEMENTS

**Upcoming Board Meetings:** 

- Thursday, March 26, 2020, at 3:30 pm, GVB Main Conference Room
- Thursday, April 9, 2020, at 3:30 pm, GVB Main Conference Room
- XI. ADJOURNMENT

Director Arriola made a motion, second by Director Quinata, to dismiss the board meeting at 6:16 p.m.

Mrs. Theresa/C. Arriola, Secretary of the Board of Directors

Board Minutes respectively submitted by Valerie Sablan, Executive Secretary

## **ACTION ITEMS:**

• Director Arriola to set up a meeting with Senator Therese Terlaje, management and Chairman Ada to gain insight on her thoughts regarding the release of pass-thru funds.