

REGULAR BOARD OF DIRECTORS MEETING MINUTES

Thursday, June 11, 2020, at 1:30 p.m.

TELECONFERENCE - GoToMeeting

(<https://global.gotomeeting.com/join/557902077>)

I. CALL TO ORDER

- With there being a quorum, Chairman Ada called the meeting to order at 1:30 p.m.

II. MINUTES OF THE PREVIOUS MEETING

Motion made by Director Shinohara, seconded by Director Camacho, to approve the minutes of the previous Board of Directors meeting dated May 28, 2020, subject to minor corrections. Motion approved.

III. CHAIRMAN'S REPORT

- Thanked the board members, staff and new management for ramping up the work with the announcement of Taiwan.
- It was announced that he signed up for the Island Wide Beautification event scheduled for June 27th and hoping that the other board members follow suit.
- Spoke on the letter he received and circulated to the board from Berman O'Connor & Mann on the issue of the homeless in Tumon. Suggested to look at the report that was put together by the Visitor Safety and Satisfaction identifying and showing visuals on the problems. He mentioned that the issue is also with the negligence of the property owners that are creating habitats. All the efforts in promoting safety and hygiene, and have the vagrants walking around, sets us back. The situation has to be handled properly. The responsibility should be with the owners in securing their properties—the need to keep the issues in our radar until we find some sort of resolution.
- AJ is working on issuing email addresses to all board members to keep the GVB business and personal matters separate.
- Inquired about GVB's role in the safety and hygiene criteria protocol. VP Perez replied that the reason for the planning matrix is to identify the key issues and goals. To have others engage in any of the initiatives and to assign responsibilities. It will be GVB's call on how involved or uninvolved.

IV. PRESIDENT & CEO/VICE-PRESIDENT'S REPORT

- President Gutierrez reported that this is his first board report since the departure of Pilar. He was familiarizing himself around the office and meeting staff and their responsibilities and duties.
- Moving forward to bring in tourists, there are a few things that are recognized. There is no control when the airlines will decide to open, and when the flights are going to transpire and what the PCOR will be to have a good plan to move forward.
- Governor Lou Leon Guerrero sent out a letter to Japan, Korea, Taiwan, and Philippine Consulates introducing President Gutierrez and hoping that they assist where needed.
- The first meeting was with the Head of Mission of the Korean consulate:
 - Want to create a bubble with Korea, how to elevate Guam in the Korean mindset about sending tourists here as quickly as possible since they represent part of the 65% of Guam's economy. She is very understanding and said she would try to send that message up to her government.

- No one is sure what the protocols will end up like come July 1st but assured her that we would endeavor to do what their government would like to happen here to expect their people to return without being quarantined for 14 days.
- Will meet with the Japan consulate next week.
- Reported that he and Vice President Perez have delineated responsibilities. VP Perez will focus on the operation of GVB while he will focus on three other areas.
- He will be focusing on the cleanup and homelessness, which he pulled a team together that work with him on the economic council to tackle the homeless issues. Will probably go back out again to look at what the situation is. Can't just remove the vagrants out because they will come straight back. There is a process to build not affordable homes but Homes for the Homeless for about 20 to 25 thousand dollars.
- Will be scheduling a meeting in about two weeks with the Guam Housing Corporation, DPW, Homeland, Chamorro Land Trust, Ancestral Lands, and CCU, to some extent, to be able to find an available place. Governor Leon Guerrero would like to move forward on the homeless issues and find at least twenty (20) acres of different sizes with infrastructure. She would like to build and relocate the homeless there. Our plan is to figure out when we move them out, that they stay out. But we can't just throw them out; they will come back with a vengeance.
- Also noticed some dangerous areas down by the Sandcastle. The bricks are popping out, and the grades are going to tear up some tires. Jesse Garcia from DPW will be going out tomorrow to look at what inhouse can do to take care of it from the governments' side without spending too much money.

VICE PRESIDENT'S REPORT

- Vice President Perez reported that with the Korean Consul Ms. Lee, the bad news is that she has no choice but to articulate the official line of no travel to Guam. But the good news is that she is very open and fully appreciates the great job Guam is doing controlling the situation here.
- The two strategic impediments for Guam Tourism Recovery are that the countries are allowing residents to travel and to reduce the fear of travelers, that once they get here, they won't be stuck with a 2-week quarantine, which we can manage.
- That's the reason why we are working to ensure we are as clean, hygienic, and safe of a destination as possible.
- We are trying to transition from the "Give Us A Moment" message, which has been well received, to "Get Up And Move," a call to action messaging. We can prepare for that, but we can't execute until we are confident of the flights and arrivals, although we are positioned of opening on July 1, as an aspirational date.
- The big issue associated with making Guam a safe place to visit is getting a designation of being a "Safe Travels" destination. The "Safe Travels Stamp" is given from the World Travel Council, which is also supported by UNWTO, so even if we aren't 100% there, we have met international standards of safety thresholds, we can get that designation. Once we get that designation, it will make it a lot easier for everyone to use that stamp to be qualified to articulate safety and hygienic restaurants as an example.
- Met with Frank Santos from the airport yesterday on where they are with departure and arrival seamless travel, proper spacing, equipment, and so forth. Trying to figure out where they are at all the different touchpoints and where the gap is where we might able to weigh in to try and expedite them to resolve those issues.
- We had a meeting last week with management and staff on the strategic framework that this board has agreed to adopt and follow. The fundamental parameters of the framework are still

valid, but what will change day-to-day or a few days, are the planning metrics, depending on who's involved and so forth.

- Reviewing the internal paperwork process to see if there is a way to expedite the paperwork and decision-making processes without doing too much, J. Villanueva and D. Hernandez are assigned to streamline the process. We also updated the D&O insurance policy to include the new management.
- We just got approved by the university for a PNBA capstone project that is aimed at developing a dashboard of culturally centric information about Guam, whether its song, history, dance, music, arts. With this dashboard, it can be used to leverage marketing, and an opportunity for local residents to learn more about the island's culture and history. This is a great project to support without using resources or time, but by using PNBA, we can receive a project completely done and usable.
- Vice-Chairman Morinaga stated that the signage guidelines need to be revisited. It has gotten out of control—the need to have a regulation so that DPW can enforce it. Director Shinohara mentioned there is a law but no enforcement. Director Camacho suggested adding it to the Planning Matrix.

V. TREASURER'S REPORT

Motion made by Director Shinohara, seconded by Director Arriola, to approve an additional \$18,500.00 per month for Island Road Maintenance for the remainder of the fiscal year to restore trash collection and grass maintenance twice monthly. Motion approved.

Background: Destination Development reduced the scope of work for Island Road Maintenance (IRM) for April and May with the suspension of the contract beginning June 1st due to funding shortage. Since then, the grass has grown tall, and trash has been accumulating along the sidewalks and medians. The latter part of June will be for restoration of the routes and then regular maintenance beginning July through September.

Cost Estimate: \$74,000 (\$18,500x4 months)
Funding Source/Account: General Fund/Administration

Action Required: Board Approval

Motion to approve all disbursement above \$24,999.99 from February 28, 2020, to current per listing provided. Motion tabled by Director Shinohara.

Background: Enabling legislation limits the President & CEO's spending to \$1,000. Anything above the said threshold will need board approval. On October 10, 2019, the board increased the limit to \$24,999.99, and anything more than the threshold will require board approval. This is in addition to the GVB budget that is usually approved by the board. See attached listing of pending disbursement for approval from February 28, 2020, to present.

Cost Estimate: N/A
Account to be Charge: N/A

Action Required: Board Approval

Motion made by Director Shinohara, seconded by Director Camacho, to approve payment for the Additional Fee for FY2019 Audit in the amount of \$8,000.00. Motion approved.

Background: Deloitte & Touché (D&T) was engaged to perform the Fiscal Year audit ending September 30, 2019. Per discussion held in May 2020, it was anticipated to have exceeded charges.

The contractual amount was based on the engagement letter signed on September 10, 2019, which did not factor the additional efforts that were beyond D&T's control for expenditure testing and other matters. Amendments and or modifications to the contract are also warranted per Article 14 of the engagement letter.

Cost Estimate: \$8,000.00

Funding Source/Account: General Fund/Administration

Action Required: Board Approval Required

VI. REPORT OF THE BOARD COMMITTEES

A. EXECUTIVE COMMITTEE

Motion made by Director Shinohara, seconded by Director Camacho, to ratify the hiring of Mr. Gerald S.A. Perez as Vice President for a Limited Term Appointment effective June 1, 2020. Motion approved.

Background: At the resignation of Mr. Bobby Alvarez on May 31, 2020, an immediate replacement for interim VP position was sought to assist the Interim President. Mr. Perez' limited term is for sixty (60) days.

Cost Estimate: \$7,904 per month that will be paid on a bi-weekly basis per payroll

Funding Source/Account: General Fund/Administration

Action Required: Board Approval

Motion made by Director Camacho, seconded by Director Kloppenburg, to ratify the approval of the subscription of 13 additional visitguam.org official emails for all GVB Board Directors. Motion approved.

Background: GVB board of directors is currently using their personal or work email for the affairs related to GVB operation. There were concerns raised on security, email continuity, retention of information. These challenges merit the purchase with an added benefit of having unlimited files, data sharing, and video conferencing via Hang-Outs.

Cost Estimate: \$1,515.15 for 9 months (June-February 2021) @ \$12.95 per user or \$168.95 per month

Account to be Charge: General Fund/Administration

Action Required: Board Approval

B. ADMINISTRATION & GOVERNMENT RELATIONS

- Financial audits and other information will be updated and posted on GVB's website to ensure that we're compliant with all government reporting requirements.

C. DESTINATION MANAGEMENT

- The island wide beautification event is scheduled for June 27, 2020 all are encouraged to participate.
- Motion was approved under the Treasurer's report to restore trash collection and grass maintenance twice a month for the remainder of the fiscal year.
- **ACTION:** Management to have LMS take a look at the streetlights in Tumon. Leaves are cascading over streetlights enabling 100% of the lights to serve its purpose.

D. VISITOR & SAFETY SATISFACTION

- Director Shinohara is looking into opportunities to re-instate the VSOs. Homeless folks are occupying the pavilions and there is a need for enforcement.

E. CULTURAL & HERITAGE

F. RESEARCH / MEMBERSHIP & COMMUNITY OUTREACH

G. SPORTS & EVENTS

- Director Shimuzu reported on the following:

Destination recovery clean up:

- Sports & Events was able to repurpose \$10K sponsorship from DFS T Galleria Ko'ko' Kids sponsorship now to be used for the recovery cleanup project aim for completion late June.
- Procurement for painting supplies to be completed this week. Likely vendor Sherwin Williams based on the cost for paint estimates.
- Plan and secure non-profit volunteers and grant recipients to assist with island cleanup efforts.
- Sports & Events will also provide bottled water for volunteers for the cleanup.

UGM status:

- GVB is awaiting a presentation by United Guam Marathon race director and organizer (Ben Ferguson) on the status of the marathon to now take place on September 13th.

Meetings with Leo Palace:

- Meetings with Leo Palace facilities manager Gerald Santos on the state of Sports Tourism bookings for the fall-winter training months.
- Discussion on Guam Brand Water support for the fall training season.
- Work on new incentives for attracting athletes
- Leo Palace shared that there are no current teams with plans to train on Guam as of today.

Guam Volleyball Federation FIVB:

- Going to meet with GVF representatives to discuss summer activities and future FIVB tournaments.

Website and Event Calendar edits:

- Update website and event information/offerings per the Events Calendar.
- Work with AJ to provide links to event information from our web portal.

EIF event:

- Plans to reschedule EIF event for September 5, 12, or 26, 2020.
- Organizers still uncertain about when to hold their event.
- EIF organizers are awaiting information about the marathon to gauge whether or not to hold their event.

H. AIR SERVICE DEVELOPMENT

- Vice-Chairman Morinaga reported that Japan Airlines canceled their flights and looking at August for the summer vacation. The travel agents are gearing up to sale in mid-July. A message should be sent stating that the quarantine will be lifted on July 1st unless there is something significant that happens but the need to give a better definition of the lifting of the quarantine.
- Also reported that JAL changed their aircraft to 767.

- They don't anticipate a mass of people traveling both in Korea and Japan, but most people want to travel domestically first.

I. JAPAN

- Director Murata reported that most major travel agents extended selling package tour to the end of July,
- The Japanese government is considering relaxing the 14-day quarantine upon arrival in Japan. The following proposal is still being researched:
 - Travelers take a PCR test in their home country before traveling to Japan.
 - If the result is negative, the traveler is able to travel to Japan with negative test documentation.
- The traveler is tested again at Japan airport upon arrival. If the test result is negative, the traveler can forego 14-day quarantine.

J. KOREA

- Director Kloppenburg reported with the recent news of Guam's reopening, airlines and major travel agencies have started their Guam product sales for July-August
- Consumers are excited about the news and can't wait to travel to Guam, but are concerned about quarantine measures upon their return and mixing with Japanese tourists.
- Next KMC meeting is Tuesday, June 16th at 11:00 a.m. - Invited the Korea Association of Guam President, Mr. Park Jae Moon to discuss medical translation services for visitors should a visitor need medical assistance or has symptoms of COVID-19

K. GREATER CHINA

- Director Camacho reported that China Airlines had canceled all CI025 and CI026 flights until September 2020.
- Positive feedback from Eva Air: If Taiwan opens early, Eva Air is strongly considering service to Guam.
- Request for travel bubble between Taiwan and Guam being considered.

L. NORTH AMERICA & PACIFIC MARKETS

- Nothing to Report

M. NEW MARKETS

Philippine Market

- Plans to re-institute the contract at a lower cost.
 - It is an opportunity for Guam's industry to participate in Enderun webinars.
 - They've conducted COVID-19 themed seminars in Health & Safety; our people could be trained on international standards in various health centers and cleaning techniques.
 - Could assist with social media distribution
 - As a liaison, they would provide communication to the U.S. Embassy - President & CEO, Gov. Gutierrez has been working with the White House and Philippine Government on the process to have visas issued by the US Embassy so Guam could obtain more tourists before the visa waiver is granted.
 - Work with airline and travel trade partners in efforts to regain seat capacity
 - It will not cost more than \$25K for the next three months.
- Vice President Perez believes we should keep a presence in the Philippines. President & CEO, Gov. Gutierrez agrees that our attention to the Philippines would help our Governor

and our people who are in the Philippines. Director Dela Cruz shared that people are ready to come to Guam once we have clearance.

- All inbound passengers arriving from the Philippines are subject to quarantine at a government-operated facility.

VII. CORONA VIRUS TASK FORCE

COVID-19 Task Force Meeting - June 2, 2020

VIII. OLD BUSINESS

IX. NEW BUSINESS

X. EXECUTIVE SESSION

XI. ANNOUNCEMENTS

Upcoming Board Meetings:

- June 25, 2020
- July 9, 2020

XII. ADJOURNMENT

Motion made by Director Camacho, seconded by Director Kloppenburg, to adjourn the meeting at 2:51 p.m. **Motion approved.**



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



Board Minutes respectively submitted by Valerie Sablan, Executive Secretary

