



REGULAR BOARD OF DIRECTORS MEETING MINUTES

Thursday, June 25, 2020, at 1:30 p.m.

TELECONFERENCE - GoToMeeting

(<https://global.gotomeeting.com/join/335027605>)

I. CALL TO ORDER

- A quorum being present, the meeting was called to order at 1:30 p.m. by Chairman Ada.

II. ROLL CALL

III. MINUTES OF THE PREVIOUS MEETING

EXHIBIT A

Director Shinohara made a motion, seconded by Director Camacho, to approve the minutes of the previous Board of Directors meeting dated June 11, 2020, subject to minor corrections. **Motion Approved.**

IV. CHAIRMAN'S REPORT

- Senator Therese Terlaje, Committee on Health, Tourism, Historic Preservation, Land, and Justice will convene a virtual informational briefing on July 2, 2020, at 5 p.m. on the recovery and reopening plans of the tourism industry and an update on the Tourist Attraction fund projects.

V. PRESIDENT & CEO'S REPORT

- President & CEO, Governor Gutierrez reported on the following:
 - GEDA and GVB are working together to assist industry businesses with funding from the CARES ACT and GEDA's tax credit.
 - They are forging a plan to build a constant working relationship for the visitor industry.

Long-term plans

- To create an Urban Renewal District Zone and redevelop Tamuning and Harmon Industrial Parks.
- To create a World Trade Center (WTC)
- Entice businesspeople from Hong Kong and Asia to relocate to Guam and to establish their businesses in the WTC where they could benefit from our excellent telecommunications.
- Recapitalize and uplift the whole Tumon Bay Attraction Zone

Homeless

- GVB received a letter from an attorney. Although not in GVB's purview, our team took the initiative to assess the homeless situation and find a solution because of tourism. It spurred those who were given the responsibility to move forward.
- Governor Lou Leon Guerrero suggested that Chairman Ada's desires from the visitor industry perspective be monitored.
- Those responsible for the homeless situation will continue to move forward to find a solution. GVB will not take the lead but will assist.
- Chairman Ada suggested we bring attention to the situation and communicate how it can jeopardize all the work we're doing to promote a clean and safe destination. Property owners should be held accountable and comply with the laws.

VI. VICE PRESIDENT'S REPORT

- Vice President Perez reported on the following:

Strategic Matrix

1. Digital Eco-System
 - the travel industry is migrating exceedingly into the digitized environment.
 - Workforce training to ensure we're capable of working with the digital ecosystem moving forward.
 - Involves upskilling and helping to train to develop local capacity in the supplier side.
 2. Create a Crisis Management Team and Interagency mechanism, pandemics & other contingencies
 - Upgrade and revise existing contingencies crisis management plan to include collaborations with GHRA, other government agencies, and new technologies.
 3. Consumer Protection and Confidence
 - Implanting in the mind of consumers that Guam is indeed a health safety environment.
- World Travel & Tourism Council (WTTC) designation is in progress.
 - The airport is ready to send their plan and endorsement letter to the WTTC
 - GHRA to work with hotels & restaurants to obtain their plan and endorsement letters to the WTTC; batch submission.
 - Guam is a safe travel destination.
 - Ongoing dialogue with Thailand, Vietnam, Australia, and New Zealand on reciprocal entry, Guam is trying to do so as well.
 - Give Us A Moment videos launched on June 22, 2020. One for local awareness and the other is a call to action from our markets.

Japan

- Travel restrictions lifted across all prefectures on June 19, 2020.
- Ministry of Foreign Affairs launched their Contact Confirmation App on June 20, 2020.

Korea

- Special Travel Advisory extended to July 19, 2020. (no travel abroad policy)
- Health authorities are gearing up for a second wave of infections.
- Seats forecast as of July 23rd show a reduction of 2,228 via Incheon.
- Jin Air may not receive customers until late July at the earliest.

Taiwan

- Border is scheduled to open October 1, 2020.
- Travel agencies focused on domestic travel; we're trying to migrate toward a bubble arrangement.
- China Airlines to resume flights in October 2020.
- Eva Air is initiating the application process through the FAA.

Consular Offices Updates

- There are no updates since the first initiated conversation with Korea. We will be notified of their government's movement.
- Japan's Consul General Kobayashi promised to be our advocate to their government.

PATA: Dream to Travel

- GVB will participate and be exhibiting.

VII. TREASURER'S REPORT

EXHIBIT B

- GVB received \$2.572 million in allotments since the revised reduced budget.
- Some contractual items have been reinstated - Island Road Maintenance, Beach cleaning, Tumon Landscaping, and cost overruns in our audit.
- The board approved a total of \$962,000 in additional spending.
- \$1.6 million is available for appropriation.
- We're up to date with 50% of our actual budget allocation.

Director Shinohara made a motion, seconded by Director Camacho to amend and reinstate the following GVB contracts: 1) Digital Media Strategy & Execution Services for an additional \$7,500 per month; 2) reinstate Assurance Inspector for \$4,166.66 per month; and 3) Community Brand Building Support Services for an additional \$2,000 per month from July 1, 2020, to September 30, 2020. Funding will come from GVB's monthly allotments. **Motion Approved.**

Background:

On April 1, 2020, all contracts were reduced due to the effects of the COVID-19 pandemic, which forecasted a reduction in the TAF collection. Despite the decrease in the monthly fees, contractors continued to provide full services as outlined in their original contracts.

The Quality Assurance Inspector conducts daily inspection of all maintenance contracts and hardscape & landscape issues. This reassures the quality of services is maintained.

As GVB moves toward tourism economic recovery, the amendments of these contracts are necessary to carry out the additional work needed for an aggressive recovery phase as we prepare to reopen our island to visitors.

Digital Media Strategy & Execution Services

Cost is \$22,500 for July 1 - September 30, 2020
\$7,500 per month

Quality Assurance Inspector

Cost is \$12,499.98 for July 1 - September 30, 2020
\$4,166.66 per month

Community Brand Building Support Services

Cost is \$6,000.00 for July 1 - September 30, 2020
\$2,000 per month

Funding source: Monthly allotments

Action Required: Board approval

VIII. REPORT OF THE BOARD COMMITTEES

A. EXECUTIVE COMMITTEE

B. ADMINISTRATION & GOVERNMENT RELATIONS

Director Camacho made a motion, seconded by Director Shinohara, to amend GVB Personnel Policies and Guidelines Section 9.20 Leave Sharing Program to include "The recipient must first exhaust all his/her accrued annual and sick leave and compensatory time for the purposes of a medical emergency or personal reasons. Leave transferred from donors whose hourly rates of pay or salaries are lower than the recipient shall be paid at the hourly rate or salary of the donor. Leave transferred from donors whose hourly rates of pay or salaries are higher than the recipient, shall be paid at the hourly rate or salary of the recipient." **Motion Approved.**

Background: GVB Personnel Policies and Guidelines which was approved by the GVB board on March 18, 2018, includes Section 9.20 Leave Sharing Program (Within Government of Guam Entities) which is limited to the number of days, administrative procedure on transferring leave but does not address specific information on the type of leave that the employee needs to exhaust before they can use the donated leave. This amendment is in line with 4GCA Chapter 4 Section 4109.2 Leave Sharing Program.

Cost Estimate: N/A

Funding Source/Account: N/A

Action Required: Board Approval

- Before GVB employee receives the benefit of leave transfer, GVB requires the donating department to transfer funds.

C. DESTINATION MANAGEMENT

- Island Wide Beautification Cleanup - Saturday, June 27th.
 - Close to 900 volunteers. About 1K people, including the Government of Guam agencies across Guam's roadways, will take part in cleaning our island.
 - The initial scope of work expanded to parks and those not highly trafficked by tourists. The project began with five parks and expanded to twelve.
 - Roadway assignments expanded and includes route 7.
 - A continuity plan is in progress to keep the momentum going. It includes encouraging private business owners to spruce up their areas through a partnership with the Guam Chamber of Commerce.
 - Meeting points posted on GVB's website and Islandwide beautification Task Force's social media pages (Instagram & Facebook). GVB Board to meet at Ypao by 8:00 a.m.
 - Positive video testimonials were received from volunteers on our social media pages.
 - Partnering with the Department of Agriculture to clean invasive algae from Matapang to Lotte and parts of Ypao on July 4th at 6:00 a.m. Encouraging volunteers to bring paddleboards, nets, and trucks.
- Director Shinohara expressed his appreciation to the team for their work. The most significant push was to get the community engaged for our island.
- Several mayors are taking the initiative to organize their village cleanups.

D. VISITOR & SAFETY SATISFACTION

- Report combined with Destination Management

E. CULTURAL & HERITAGE

- Nothing to report

F. RESEARCH / MEMBERSHIP & COMMUNITY OUTREACH

- Supporting the Market Research Development and UOG with the Business Recovery Survey.
- The survey is posted on our website and disseminated by email.
- Quotes are being received for the scope of work on in-country research
- visitor arrivals forms are continuing to be validated and audited.

G. SPORTS & EVENTS

- Nothing to report

H. AIR SERVICE DEVELOPMENT

- Jin Air scheduled to arrive on July 23rd and will cover 1,578 seats with 70% capacity.
- Japan travelers are not pushing for tours abroad.
- Major travel agents will start selling late July-August.
- Japan Airlines scheduled to fly on July 31.
- United Airlines is currently flying three times a week, daily starting July 23.
- Eva Air will fly the first team of Taipei's Economic and Cultural office this month.
- Asiana Airlines in a setback.
- Jin Air indicated that they could institute flights from Japan, but it all depends on whether they can get clearance to return.

I. JAPAN

EXHIBIT C

- Committee Minutes dated June 16, 2020

Director Murata made a motion, seconded by Director Camacho, to approve payment to ADK Marketing Solutions, Inc. for expenses incurred in FY2020 in the amount of \$70,247.63 from Account # JA-ADV001 and #JA-TTC091. **Motion Approved.**

Background: The Japan market is requesting board approval on invoices from the previous market advertising/PR agency, ADK Marketing Solutions, Inc., which were generated from the beginning of FY2020 for approved campaigns and programs in the amount of \$70,247.63.

These respective projects overlapped fiscal years between the months of September and October 2019. Without extending ADK's retainer for another month, which would incur an additional excessive overhead cost to the bureau, senior management decided in September to follow through with the bureau's

remaining programs, which were completed and invoiced in October. During this time, the bureau transitioned from advertising agency services of ADK Marketing Solutions, Inc. to the new Japan market Tourism Destination Marketing Representative office of AVIAREPS Japan, Ltd. For FY2020.

The bureau requested ADK to settle payments via AVIAREPS for proper transition on existing expenses and billing purposes, however, due to no existing contract with ADK to account for the September and October invoices and the COVID-19 Global Pandemic in the months to follow, these bills were unpaid.

There are identified funding within our FY2020 budget Japan spending plan (reduced budget plan after COVID-19) to settle these obligations, which were for completed and approved programs during the beginning of the fiscal year. Therefore, we are kindly requesting board approval to pay ADK on services rendered. The actual amount to be paid from the FY2020 Japan FY2020 Advertising/PR/Special Promotion Account# JA-ADV001 and the Regional Travel Show Account #JA-TTC091.

Listed below is a breakdown of the respective invoices.

Breakdown:

Date	Invoice Number	Project	Amount
10/22/2019	1908-05	Secretariat - InstaGuam Campaign	\$2,479.71
10/22/2019	1909-07	Secretariat - Family Campaign	\$1,808.16
10/22/2019	1909-09	PR Tie-in 'Guam Bon'	\$61,109.96
10/22/2019	1909-13	GCCA - Tourism Expo 2019	\$4,849.80
		Total:	\$70,247.63

Action Required: Board Approval

- The invoices listed above are outstanding invoices long after they expired. Work was completed by the previous service provider.
- Director Murata reported the Japanese government will lift mandatory quarantine restrictions for business travel. Overseas leisure travel is still premature and being considered.
- Messages regarding the reopening of Guam's hotels and tourist facilities will encourage the Japanese government to resume tourism to Guam.
- JATA (Japan Association of Travel Agents) Chairman Tagawa of JTB was replaced by Mr. Sakamaki of Tobu Top Tours.
- 2020 Tourism Expo Japan will be implemented as planned.
- Business meeting and travel festa scheduled for September in Tokyo is postponed until January 7-9, 2021.

J. KOREA

EXHIBIT D

- Vice President Perez and Vice-Chairman Morinaga touched on some of Korea's updates in their reports.
- Director Kloppenburg reported last week's travel extension (July 19) delayed travel until the last week of July or early August.
- In-country, a spike in COVID-19 is occurring in Seoul. Quarantine measures are being increased, and so are medical supplies and hospital beds.
- Give Us A Moment launch was well received in the Korea market.
 - Guam ranked 3rd in Korea as a destination market on search engines.
- Korea office reported there are no demands or bookings for July, with the airlines unable to commit to a fly date.

Korea budget update

- \$78K in non-committed funds from 3rd quarter projects canceled.

- Korea office looking into ways the funds may be used for 4th quarter projects.

K. GREATER CHINA

EXHIBIT E

- The report has been given by President & CEO, Vice President, and Vice-Chairman.

L. NORTH AMERICA & PACIFIC MARKETS

Director Dela Cruz made a motion, seconded by Director Arriola, to reinstate GVB's contract for Tourism Destination Marketing Representation Services in the Philippines with ADF Enderun 101, Inc. for up to \$20,000 for three months (July 1, 2020, to September 30, 2020). Cost is inclusive of the monthly retainer fee, info office expenses, and services that will be rendered in accordance with the scope of work and marketing plan. Funds from the allotments received. **Motion Approved. Ten ayes and two nays (Directors Shinohara and Gatewood)**

Background: Airlines are eager to fly again. Although United Airline's Manila flights are still suspended until further notice, Philippine Airlines has resumed, with its first flight arriving last week on June 16. Another PR110 flight is scheduled for June 26. Beginning July, PAL will increase flights to every Friday.

ADF Enderun 101's industry connections and expertise in hospitality management have proven to be of great value to the bureau in both day-to-day operations and long-haul campaigns and initiatives. Reinstating their contract will aid GVB in attracting visitors to the island and establishing Guam as a destination of choice among Filipino travelers.

The GVB Philippines team will host tourism/hospitality webinars for members and stakeholders, manage our social media platforms integrating our recovery messaging, perform ad hoc duties such as communicating with the US Embassy, conduct virtual fam tours, and develop electronic direct mailers for travel trade partners.

Costs associated with the reinstatement include:

- Monthly retainer fee: \$2,700 (reduced from \$4,500)
- Info office expenses: Up to \$300 per month (reduced from \$500)
- Remainder will be allocated for services rendered in accordance with the scope of work and marketing plan

Contract period: July 1, 2020, to September 30, 2020.

Cost Estimate: Up to \$20,000

Funding Source/Account: Allotment Received

Action Required: Board approval

- Director Shinohara reinstated the discussion the board agreed to in March.
 - Core focus markets: Japan, Korea, & Taiwan
 - Proven to be a challenge during COVID-19
 - Focus should continue on key volume and higher spend markets.
 - Resources should be allocated to these markets.
- Prefers that the Philippines be tackled in the upcoming fiscal year.
- Director Dela Cruz announced PATA Dream to Travel Festival is ongoing until July 17th
 - free to the public

M. NEW MARKETS

- Nothing to report.

IX. CORONA VIRUS TASK FORCE

- Vice-Chairman Morinaga reported GIAA's Acting Executive Manager is John Quinata.
- He will reach out to Acting EM to find out how to proceed moving forth.
- Director Camacho suggested this time would be great to ensure that all stakeholders are on the same page.

X. OLD BUSINESS

- None

XI. NEW BUSINESS

- None

XII. EXECUTIVE SESSION

- None

XIII. ANNOUNCEMENTS

- July 9, 2020
- July 23, 2020

XIV. ADJOURNMENT

Motion made by Director Shimizu, seconded by Director Arriola, to adjourn the meeting at 2:41 p.m. **Motion approved.**



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



Board Minutes respectively submitted by Valerie Sablan, Executive Secretary

