



REGULAR BOARD OF DIRECTORS MEETING MINUTES

Thursday, August 13, 2020, at 1:30 p.m.

TELECONFERENCE - GoToMeeting

(<https://www.gotomeet.me/GUAMVISITORS-BUREAU/bodmtg81320>)

I. CALL TO ORDER

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

II. ROLL CALL

III. MINUTES OF THE PREVIOUS MEETING

EXHIBIT A

Director Murata made a motion, seconded by Director Shimizu, to approve the minutes of the previous Board of Directors meeting dated July 23, 2020. **Motion Approved.**

IV. VICE CHAIRMAN'S REPORT

- Introduced new airport protocols and COVID testing unit to the Consul General and Vice Consul General, who will relay Guam's proactive message to Japan.
- Guam is ready to deploy ten test units to the airport to test arrivals and departures.
- The next mission is to reach out to the Korean Counsel General to give an introduction of what Guam is doing to stay proactive.
- A new protocol was established with the Japan Counsel to better communicate with GVB, the Governor, and the Ministry of Foreign Affairs of Japan (MOFA).
- Passengers arriving from Hawaii into New York, Connecticut, and New Jersey will quarantine for 14 days. Hawaii is on the travel advisory list.
- Oahu is the main issue. Other outer islands are ok.
- The travel bubble is dying due to the increase of COVID numbers.
- The travel bubble between Australia and New Zealand is on an indefinite pause. Also, Thailand.

V. PRESIDENT & CEO'S REPORT

- GVB has been working closely with Senators Therese Terlaje and Joe San Agustin's committees, who acceded to our request.
- Other factors will be brought to Senator Joe San Agustin that will require readjusting as GVB sees fit, whether revenues stream in or do not.
- GVB has a very good relationship with the legislature, which makes it easier for the board to deal with uncertain incoming finances.
- After meeting with the Vice Consul of Japan, President & CEO, Gutierrez spoke with Governor LG concerning Guam not having a point of contact in dealing with Japan on a government to government level.
 - They requested that a designated person be a point of contact with them.
 - Currently in the works. Indeed, it would be for other source markets as well.
- Spoke with the Department of Commerce out of the US Embassy, Tokyo, regarding how Guam could avail to programs/grants that may be available.
 - Reminded them of the possibility as when President Clinton carved out Guam and, for almost two years, allowed Guam to receive some funds.
 - Asked if they could assist by speaking with US Secretary of Commerce, Ross.
- Reached out to two firms in Washington, DC. One to Represent Guam in the Senate and the other to represent us in the House.
 - Met with both firms.
 - Both firms have a lot of pull with those that oversee Guam, as well as the Military.

- John Garamendi (House), a senior and chairman of the committee, has a direct impact on Guam.
- The other is a family member working closely with Senator Murkowski, who generally has the same issues with Guam. Placing Guam under her wings will ensure that what passes through the House, would be carried into the Senate for Guam.
- The current law prohibits hiring a lobbyist; however, it is included in the FY2021 budget bill. If it passes, it allows GVB and GEDA to do so.
- Concerned that Guam is missing a lot in DC, and we need someone checking on what is available every day. Guam needs someone from both houses to keep us on top of things in Washington, DC.
- It won't cost much, and Guam will reap great benefits.
- Governor LG and delegate planned to fly to Taiwan on Aug 23 to see what could be done to establish a bubble with Taiwan. The trip was canceled.

VI. VICE PRESIDENT'S REPORT

GVB Budget Hearing July 29, 2020

- GVB provided an overview and current sentiment of visitor arrivals and the TAF.
- Shared an optimistic view of 400K visitors and \$13.4M income for the TAF.
- Requested \$9.3M budget. Down from the previous \$22.4M pre-COVID submission.
- Requested that the board be given the flexibility for spending allocations to include carryforwards for reactivated spending previously held back when the pandemic hit.
- Senator Therese Terlaje raised a question of the \$5M for flood mitigation. Funding was previously diverted for a capital project that did not materialize in Agana. Management will request GVB's board to ask the GEDA board to revert funds to GVB to be used for the original intended purpose, Tumon flood mitigation

Legislature substitute Budget Bill 282-35

- Being discussed by senators.
- Increased arrivals at more than 500K visitors and increased TAF at \$18.3 million.
- Approved GVB's request for \$9.3M, but did not include carryforwards. President & CEO, Gutierrez sent letters to Senators San Agustin and Therese Terlaje to rectify.
- The senators supported our initiative to refinance the HOT bonds.
- In the current bill, \$1.7M was appropriated to GPD from the TAF.
- Mayors to received \$375,223 from the TAF.
- DPR allocated \$661,841 and CAHA \$40K from the TAF.

#GUAM Island Pride Beautification Event

- Thanked everyone who participated in the clean-up.
- Gave a shout out to Ilene and Kisha for coordinating the Guam Island Pride Beautification Event together with the Lt. Governor's Beautification Task Force.
- Sixteen great sponsors.
- Thirteen parks, three miles of shoreline, forty-three miles of roadway cleaned, eleven thousand tons of trash collected, and over one thousand volunteers.

COVID-19 Testing

- Sudden spike in positive cases prompted management to encourage staff testing.
- President tested negative and waiting five days for retesting.
- Some staff working from home due to exposure to vulnerable family members.

Commercial Service, US Department of Commerce (US Embassy)

- Offered to do a webinar for Guam with the Japan Travel Trade, free of charge until September 30th.
 - Vice-Chairman Morinaga and Director Matsumoto to assist management with organizing the subject matter and topics of discussion.

DPHSS

- Zoom meeting – August 14, 2020, at GVB
- More confusion and discrepancies in protocol instructions at GIAA.
- GVB offered to help with messaging to try to build consumer confidence.
- GVB receiving complaints about confusing directions.
- Requesting DPHSS to clarify things, so there are unified instructions for arrivals and departure.

- Director Arriola suggested that the meeting invitation be extended to Customs & Quarantine at the airport so they could receive direct instructions.

Visitor Arrivals

- Down 99% for Japan and Korea, 95% down from Philippines
 - Ongoing service at this time is with United Airlines and occasionally Philippine Airlines.
- Director Arriola thanked President & CEO, Gutierrez and Vice President Perez for their efforts in finding ways to reassure travelers from Japan and Taiwan that Guam is willing to communicate.

VII. TREASURER'S REPORT

EXHIBIT B

- Director Shinohara reported on GVB's cash balance and financial status.
- Budget significantly adjusted in March to slow down collections in the TAF.
- BBMR continued to support GVB's budget mission and gave us roughly the equivalent of fifty percent of our allotment. GVB has been working to restore some of the expenses cut during the process.
- A significant cut was made, given the challenges we thought we'd be seeing. GVB currently has a healthy account balance.
- GVB received an unanticipated \$3.4M when we reduced our budget.
- Of the \$3.4M, the board approved close to \$2.5M.
- GVB has roughly \$900+K to utilize.

Cash Balance Breakdown as of August 6, 2020

- \$14M sits in the bank.
- \$1.6M is restricted for a variety of reasons.
- \$7.5M for committed projects; planning and efforts are underway.
- \$94K for temporary restricted projects that could only be spent on a variety of different things.
- GVB left with a \$4.9M unrestricted net cash balance.
- \$1.4M spending forecast for the remainder of this fiscal year.
- Encumbrances and AP invoices yet to be processed totaling \$84M.
- Board committed expense from allotment is \$2.2M.
- We have close to \$1M available for appropriation to other projects.
- Due to a rise in COVID cases in our local and source markets, we have not been able to push marketing programs forward for return visits.
- FY 2021, budget allotment will be significantly under our needs.
- Would like to devote the bulk of unspent funds to marketing efforts in source markets and continue to improve them.

1. Director Shinohara made a motion, seconded by Director Camacho, to approve Task Order No. 6 for W.B. Flores & Associates for grant consultation and professional support for Lighting Improvement and Safety, Sidewalk Improvement, Crosswalk Safety, Island Wide Signage, and Matapang Infiltration Fields. Total Budgetary estimate for this work is \$83,500.00. **Motion Approved.**

Background: Guam Visitors Bureau is actively pursuing grants for infrastructure upgrades along Tumon through the Bureau of Statistics and Planning from the Economic Development Administration grants. The bureau is looking at \$10M to \$20M of infrastructure upgrades to be pursued. Packaging the grants compose of multiple technical requirements, plans, and drawings, which require expertise of WB Flores firm.

Cost Estimate: \$83,500

Funding Source/Account: Committed Funds - Lighting Improvements

Action Required: Board Approval Required

- Vice President, Perez noted that we need consultants to package the grant due to technical information required. Federal grant funds cannot be used to pay for this service.
- Director Arriola thanked BSP and the GVB staff for their work.
- Director Shinohara suggested that the board review the Disbursement Details for the past several weeks (attached to the Controller's Report).

VIII. REPORT OF THE BOARD COMMITTEES

A. EXECUTIVE COMMITTEE

- Nothing to report

B. ADMINISTRATION & GOVERNMENT RELATIONS

- Nothing to report

C. DESTINATION MANAGEMENT

- Showing, level of support, and the trash picked up during the island wide clean-up was impressive.
- If we receive added funding, GVB should roll out island pride don't litter campaign to ensure that people understand the importance of taking care of the destination. It is what we sell, where we live, and we should be better stewards of our island.
- There is a significant improvement as far as Tumon flooding issues are concerned.

D. VISITOR & SAFETY SATISFACTION

- Nothing to report

E. CULTURAL & HERITAGE

- Everything Director Arriola spoke of ties into the culture of Inafa' maolek, in making sure we care for and respect our island.
- Would like to roll out a Pride Guam liter campaign when funds become available.

F. RESEARCH / MEMBERSHIP & COMMUNITY OUTREACH

- Director Gatewood congratulated and thanked staff & management for a successful Membership meeting.
- The webinar was an informational and insightful refresher on what is going on elsewhere.
- Marketing is working on another upcoming webinar.

G. SPORTS & EVENTS

- Nothing to report

H. AIR SERVICE DEVELOPMENT

- Nothing to report

I. JAPAN

- The spread of COVID-19 in Japan shows no signs of convergence.
- Some days new infections exceed 1,000 cases nationwide.
- Japan's government refuses to issue the emergency declaration. Okinawa and Aichi prefectures issue their emergency declarations.
- There is no progress in lifting the mandatory quarantine when entering Guam.
- Director Murata suggested Guam proactively propose the following:
 - protocols for resuming tourism in preparation for the future.
 - Terminate mandatory quarantine in Guam.
- Online forum held on July 31st with JATA Online Travel Mart opening session. They discussed resuming overseas travel and promoting foreign travel under the new normal after COVID-19. Panelists were presidents of JTB, KNT, and NTA.
- JATA Online Travel Mart, B2B meeting scheduled from August 31 - September 2, 2020. Thirty-seven GVB member companies are expected to attend.
- Next JMC meeting is scheduled for Tuesday, August 18, at 1:30.

J. KOREA

- Jin Air has three charter flights scheduled this month; August 12, 19, and 26. In September, they are planning to schedule one weekly flight from Incheon to Guam.
- As of current, other carriers are still planning on services to begin in October and could be subject to change.
- GVB Korea has been monitoring social media within Korea. There is a strong desire for travelers to resume traveling to Guam.

K. GREATER CHINA

- Governor's Taiwan visit has been postponed.
- TECO reopening office on Guam-located at ITC bldg. 7th floor

L. NORTH AMERICA & PACIFIC MARKETS

- Nothing to report for North America
- GVB's Philippine office is coordinating a series of webinars. Reshaping the Guest Experience was held on August 7th.
- One hundred sixty-two registrants with about 50% logged onto the webinar.
- The next webinar is scheduled for August 26, 2020, at 3 pm and will focus on health and safety protocols. GVB invited DPHSS and some Guam businesses to speak on the application of the protocols.

M. NEW MARKETS

- Nothing to report

IX. CORONA VIRUS TASK FORCE

EXHIBIT C

Committee minutes dated July 29, 2020, and August 6, 2020

COVID-19

- <https://dphss.guam.gov/> - find Executive Orders, up to date memos from DPHSS, and the latest information, reports, guidelines, and protocols on COVID-19.
- Japan cases are rising, particularly Okinawa. Governor declared an emergency. The holiday season is canceled.
- Significant areas of cases: Tokyo, Nagoya, Osaka, Okinawa, and Kanigawa.

Airlines Update

JAPAN

- United Airlines flight UA828/827 canceled in August; it will operate three times a week in September.
 - Narita: UA196/197 will operate daily in September.
 - Flights from Kansai and Chubu were suspended until September 30.
 - Fukuoka was suspended until October 24.
- Japan Airlines suspended until September 30.
- T'way Airlines suspended until August 31.
- Jeju Air was suspended until August 31.
- JAL and ANA have special domestic flight offerings. Experiencing low load factor.

SOUTH KOREA

- Jin Air LJ641 has special flights on August 12, 19, and 26; to bring cargo and returning Korean residents in Guam.
- Total August outbound air seat capacity is 390 seats (70% of seat capacity)
- Hyundai Development Co. to renegotiate acquisition, demanding due diligence on Asiana Airlines.
- Korean LCCs will go on unpaid leave if the government does not extend the salary program.

X. OLD BUSINESS

- Nothing to report

XI. NEW BUSINESS

- Nothing to report

XII. EXECUTIVE SESSION

- None

XIII. PUBLIC COMMENTS

- None

XIV. ANNOUNCEMENTS

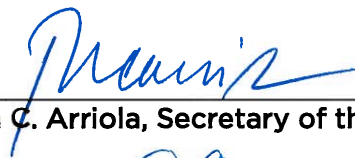
- Governor's Press conference – time not decided but should be toward the end of the day.

Upcoming Board Meetings:

- August 27, 2020
- September 10, 2020

XV. ADJOURNMENT

Director Shimizu made a motion, seconded by Director Shinohara, to adjourn the Board of Directors regular board meeting at 2:35 p.m. **Motion Approved.**



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



Board Minutes respectively submitted by Valerie Sablan, Executive Secretary