



REGULAR BOARD OF DIRECTORS MEETING

Thursday, September 24, 2020, at 1:30 p.m.

TELECONFERENCE - GoToMeeting

(<http://www.gotomeet.me/GUAMVISITORSBUREAU/boarddmeeting9242020>)

AGENDA

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 Sam made a motion, seconded by Director Kloppenburg, to approve the minutes of the previous Board of Directors meeting September 10, 2020, subject to minor corrections. **Motion Approved.**

IV. CHAIRMAN'S REPORT

- Participated in the Travel Talks webinar
- New Guam COVID alert app and its promotion will help us in the COVID battle
- Concerned about high positive rates and hospital bed occupancies

V. PRESIDENT & CEO'S REPORT

- Vice President Gerry Perez and staff have been dealing with the budget over the last two weeks.
- GVB Team worked intensely on the COVID contact tracing app; currently promoting the Download-A-Thon
- Has been working from home and staying away from the GVB office during this COVID lockdown.

VI. VICE PRESIDENT'S REPORT

Guam COVID Alert App: Download-A-Thon

- Download-A-Thon Special: September 26, 2020, 6:30 p.m. – 8:30 p.m.
 - TV-8
 - PBS
 - KUAM Facebook Page
- Goal: intensify awareness and adoption of the COVID app
- Need to support and promote the effort to come close to the 60% desired threshold experts claim to contain and defeat the virus.
- Urged Board Directors to do as much as possible to participate in the download and encourage others to do so.

GVB Budget

- Legislature overrode Governor Leon Guerrero's veto. Now public law 35-99.
- FY 2021 approved operating budget is 72% below pre-COVID submission of GVB's previously submitted budget.
- 32% below COVID adjusted budget requested at budget hearing for \$9.4M.
- GVB did not acquire the \$9.4M but did receive \$6.4M enacted into law.

GVB Operating Impact

- Drastic cuts in Marketing, Destination Management, and all functional areas.
 - No funds are allocated for "pass through" activities and sponsorships.
- Moderate cuts in the administrative category due to the laden of personnel and other fixed costs.
- Hiring freeze; vacant positions will not be reinstated.
- We are maintaining an institutional capacity for the expected turnaround.

- The team is focused on Community Outreach strategy to contain the virus and promote the adoption of the DPHSS Guam COVID Alert App.
- Some Destination Management contracts have been maintained, such as:
 - The VSO and landscape maintenance contract - vital for us to prevent product deterioration.
- The impact of 2020 and Management's recommendation for the allocation of funds moving forward for FY 2021 will require the Board's approval for amounts indicated and some management flexibility within each category subject to further review and adjustment by the Board, as appropriate.

Departments	Percentage of Change	Amount
Admin	-13%	\$3,150,000
Marketing	-90%	\$1,323,715
Research	-58%	\$250,000
VSO	-11%	\$800,000
Destination	-44%	\$652,382
Culture-Branding	-91%	\$103,000
Sports & Events	-94%	\$50,000
Tour Guide Program	-25%	\$60,000
Pass Throughs	-100%	\$00.00

- GVB currently has a good cash position, a total of \$3M on hand, or pending DOA release.
- We need to be mindful of future problems. If we do not have visitors, we have no TAF income and no cash to support budget allocations.

Immediate Financial Priorities

- To secure the \$5M previously diverted to the Plaza De España project that did not materialize, funds are still in the account.
 - Letter to be sent to GEDA chairman requesting funds to be returned; funds to be used for stormwater containment and managing issue.
- Refinancing of HOT Bond – Senator T. Terlaje introduced in Bill 396-35.

Membership Update

- Director Camacho is concerned with membership, prolonged rate of renewals despite follow-ups.
- Only 41 registered GVB members as of September 24, 2020
- **ACTION: Board to revisit issue based on the COVID impact; board to decide how to move forward in terms of membership renewal**

Destination Management Update

- DPW and Lt. Governor's Island Wide Beautification Taskforce is initiating citations for abandoned properties based on specific authorities, as cited in the committee report.
- DPW's small working group will work in conjunction with a few members of the Destination Committee to audit private companies along San Vitores to ensure they are in compliance with stormwater containment.
- Homeless issue pending procurement for additional units.
 - 70 are currently sheltered
 - 21 are minors
 - GSA has open procurement for sheltering the Tamuning & Tumon area. It is difficult to find willing landlords to place their properties in the care of the homeless.

UGM Virtual Run Event

- 2,715 total registered participants
- 2,254 runners registered before the lockdown (February 21, 2020), and a few hundred more participated after the lockdown.
- About 1,300 completed the event—most from Japan, Korea, and a few from different countries of the world.
- Guam had about 600 participants.
- The next event is tentatively scheduled for April 11, 2021.

Testing Facility

- The testing facility for the State Boards of Accountancy and other certification has been approved.
- Continuance of testing inbound visitors not tied down to COVID restrictions.
- An exam room is set up for 21 students. The facility is modified for only five at a time.

Questions & Comments:

- Chairman Ada asked where the Rainy Day funds played into the budget.
- Figures provided by Vice President Perez are the appropriations. GVB's cash position is ok. GVB received \$1.5M and awaiting to received \$1.6M before the end of September 2020. The Rainy Day fund was not included in the Vice President's presentation.
- Director Shinohara noted that GVB does have an existing Rainy Day fund. There is cash in the bank.
- According to Director of Finance, Ms. Villanueva, GVB has not allocated anything for FY2021's Rainy Day fund. Currently, GVB has \$1.2M with 50% of that amount was appropriated by the board. The remaining 50% is awaiting legislative approval and once approved, it has been reserved for the Marketing Recovery program in addition to the cash balance cited by the Vice President.
- Director Shinohara reported no provision right now in the existing cash approach and appropriation for any deposits into the Rainy Day Fund. There is \$1.2M in the GVB's bank account, and \$600K is committed to projects and our recovery. We are awaiting the Legislature's approval to appropriate the balance of that towards the recovery efforts.
- GVB started at \$22M this year, asked for \$9M, and ended up with under \$6.7M. We do not have enough cash to make deposits into the Rainy Day fund this year.

VII. TREASURER'S REPORT

EXHIBIT B

- Vice President Perez covered the discussion of budget and the need to approve where we currently are.
- Director Shinohara commended the Management Team for the foresight to include all the policies in the revised budget.
 - It includes salary freezes and the suspension of any further hiring until our administrative budget can be restored.
- GVB is looking to a tough first quarter for the FY2021 budget; the October arrival forecast appears grim.
- GVB has taken significant cuts across the board, and yet there is a lot of work required. Management & team are still evaluating where we are concerning the final TAF projection.

Report of Vice President

Impact vs FY 2020 and Recommended Allocation of Funds for FY 2021. **Need Board Approval** for amounts indicated and management flexibility within each category. subject to further review and adjustment as appropriate.

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- The total amount for the amounts noted above is \$6,389,099.00. Public Law is \$6.3M.
 1. **Director Camacho made a motion, seconded by Director, to approve the FY2021 budget breakdown as presented. Motion approved.**

VIII. REPORT OF THE BOARD COMMITTEES

A. EXECUTIVE COMMITTEE

- Nothing to report.

B. ADMINISTRATION & GOVERNMENT RELATIONS

2. **Director Camacho made a motion, seconded by Director Arriola, to revise and clarify the Guam Visitors Bureau's Personnel Policies and Guidelines (GVB BOD Approved 03/22/2018) Section 7.6, relative to Annual Increases Through Performance Evaluation inclusive of Midpoint step pay-scale increments and Merit Bonus based on the new pay rate. Motion Approved.**

The policy is revised to read:

7.6 ANNUAL INCREASES THROUGH PERFORMANCE EVALUATIONS

Full-time employees will receive a formal performance evaluation once a year. Employees are eligible to receive annual increases based on their annual performance evaluation at rates approved by the GVB Board of Directors.

GVB Employee Pay Plan includes Maximum (capped salary), Level Employees:

Employees maximum (capped salary) will still be eligible for merit bonus and/or lump sum payment depending on their evaluation rating.

1. 3% for overall rating of Fair, Satisfactory, or Good (if funding is available)
2. 5% for overall rating of Excellent (if funding is available)

The above lump sum calculation percentage (%) will also be used to calculate salary increment for employees under the Midpoint bracket but not to exceed the Midpoint salary cap until the next step is reached.

Merit Bonus

All classified full-time employees of GVB will be eligible for a 3.5% merit bonus from their new annual rate, provided their annual performance evaluation is rated excellent in all categories, and funding is available.

Background: Prior practice for lump-sum amount payment for employees at midpoint step pay scale and merit bonus is not explicitly documented in the Personnel Policies & Guidelines. Although this was past practice, there is no basis to validate the correct calculation except for the last payout. This calls for adjustment to the GVB personnel policies and guidelines to reflect the administration's clarification and ease when processing payroll.

Cost Estimate: Undetermined

Funding Source/Account: Operating Fund/Based on Availability of Funds

Action Required: Board Approval Required

3. **Director Camacho made a motion, seconded by Director Kloppenburg, to suspend Merit Bonus for GVB employees as specified in Section 7.6, page 29 of the GVB Personnel Policies and Guidelines, effective October 1, 2020. Motion Approved.**

Background: It has been customary to stipend Merit Bonus for employees with exemplary performance in past years. With significant budget cuts in FY2021 and an existing simplified version of the performance evaluation template, it is insufficient to justify the merits of awarding excellent work. It is prudent that this policy be suspended until further notice.

Cost Estimate: N/A

Funding Source/Account: N/A

Issue: Board Approval Required

4. **Director Camacho made a motion, seconded by Director Arriola, to renew the Guam Visitors Bureau's Commercial Insurance policy for the 3rd year and to procure a new broker. The Insurance policy multi-year term commenced in October 2018 and expires on September 30, 2021. Motion Approved.**

Background: GVB's policy is with AM Insurance Broker, a multi-year contract ending September 30, 2021. The current policy excludes Workers Compensation and Directors & Officers policy, which is billed separately. These policies are to be incorporated on the next multi-year insurance policy award.

Cost Estimate: \$20,238.00 per annum for FY2021

Funding Source/Account: TAF-Operating Fund

Questions & Comments:

- A new broker is being procured at the same time because of their expiration date. It is a good time for the broker to shop for the best insurance for the bureau. GVB expanded our portfolio to include DNO, workman's compensation that was added.

C. DESTINATION MANAGEMENT

- Vice President Perez covered the bulk of updates.
- The committee is working with DPW to develop a list of property owners violating the current stormwater drain requirements. The team is working to provide a robust list to start with large property owners with challenges contributing to Tumon’s flooding issues.
 - List to be provided to DPW by the first week of October.
- We are working with DLM to identify unknown property owners of large apartment buildings.
- Buildings in Happy Landing Road have been part of the discussion and are included.

D. VISITOR & SAFETY SATISFACTION

- No updates

E. CULTURAL & HERITAGE

- No updates

F. RESEARCH / MEMBERSHIP & COMMUNITY OUTREACH

Research

- Research Director, Mr. Fujikawa, reported the push forward to digitize the Customs form. In conversation with DPHSS to figure out how our platforms can be integrated into one interface for visitor convenience.
- Target beta testing is toward the end of November.
- Thanksgiving Beta testing
- The team completed the DAD project (Download Application Deployment), a call out to 604 businesses encouraging them to download the application.

G. SPORTS & EVENTS

- Nothing to report

H. AIR SERVICE DEVELOPMENT

Japan

United Airlines

- UA196/197 is operating daily in September, except on Sept 16,27,30
- UA828/827 will operate only on October 16,18,20,23,25,27,30
- Nagoya, Kansai, and Fukuoka flights have been suspended until the end of October

Japan Airlines

- have been suspended until October 31

T’Way

- have been suspended until October 24

Jeju Air

- has been suspended until October 15

South Korea

Jin Air

- Jin Air planned to operate flights from Incheon to Guam every Wednesday in September.
- Will only operate select flights from Incheon to Guam on September 9, 23, 30, and October 7, 14, 21, and anticipating daily flights from October 26, depending upon their ruling country.

T’way

- T’way will operate select flights starting October 25.

Taiwan

- No updates

I. JAPAN

EXHIBIT C

Committee Minutes dated September 15, 2020

- JMC Meeting was conducted Tuesday, September 15, 2020.

COVID-19 updates

- The number of individuals affected with COVID-19 shows improvement.
- As of September 23rd, there were 53 infected in Tokyo and 219 nationwide.
- Level in Tokyo downgraded from category 4 to 3. Restrictions to shortened business hours of restaurants up to 10 p.m. was lifted.

Go-To Travel campaign (domestic travel) permitted

- Travel to Tokyo
- Participation in the Silver Week Holiday from September 19-22; many people were able to visit tourist spots and themed parks for leisure.
- Anticipated interest of overseas travel as obstacles to domestic travel is gradually removed.

JATA Tourism Expo Japan

Okinawa

- October 29 to November 1, 2020 (4days event)
- GVB entered the Virtual B2B session without a booth exhibition.
- Twelve conference slots available for GVB Members, soliciting registration from members.
- \$200 participation rate per registrant.

Tokyo

- GVB to participate in the JATA Business Meeting & Travel Showcase, held at the Tokyo Big Site on January 7 to 9, 2021.
- GVB plans to exhibit with four booths physically.
- B2B Meeting: Total 96 times (24 times x 4 booth)
- The next JMC meeting is scheduled for October 13, 2020.

J. KOREA

EXHIBIT D

Committee Minutes dated September 15, 2020

- The number of cases has gradually gone down.
 - Three consecutive days less than 100 new cases
 - September 22nd, only 61 new cases.
- Extended level 2 social distancing guidelines until Oct. 3rd
 - Indoor social gatherings must be below 50 individuals.
 - Outdoor events must be below 100 individuals.
 - Night clubs, bars, and buffets to remain closed
 - Overseas travel advisory remains until October 18, encouraging citizens to cancel/postpone their overseas travel until numbers improve.

Marketing News

- Looking at online exhibitions
- Details still in progress
- Airline and tour agents have been contacted regarding participation

K. GREATER CHINA

- No committee meeting for the month of September.
- Taiwan Economic Office representative, Mr. Paul Chen, arrived on September 22nd.
- Taiwan Economic Office's grand opening is set for October 10, 2020.
- New office located in the ITC building, 7th floor.
- GVB Taiwan office is still operating tightly and continues to promote Guam.

GVB Membership

- Director Camacho is concerned about the low number of registered members.
- Director of Research noted that direct calls had been made to push membership along.

ACTION: Director Shinohara requested that the Membership committee prepare an analytic for presentation to the board at the next board meeting.

- The membership deadline is October 5, 2020.
- President & CEO Gutierrez suggested that the deadline for membership be extended for a month.

5. Director Arriola made a motion, seconded by Director Camacho, to extend the October 5, 2020 deadline for membership dues to be obtained to a month from then to November 5, 2020. **Motion approved.**

ACTION: Management to come up with a point of view for the next board meeting.

Note: Vice-Chairman took over the meeting due to the Chairman's technical connection issues.

L. NORTH AMERICA & PACIFIC MARKETS

- Pacific Asia Travel Association (Travel Mart) is 100% virtual from September 23-27, 2020.
 - Free to exhibitors and PATA Members
 - Features buyer and seller matchmaking, forums, live presentations, and panels.

M. NEW MARKETS

- No updates to report.

IX. CORONA VIRUS TASK FORCE

EXHIBIT E

Committee Minutes dated September 9, 2020

- As of September 24, there are about 32 million confirmed cases worldwide, with 7.4 million active. In the US, there are about 7 million confirmed cases, with 2.5 million active. **On Guam, there are 2,235 confirmed cases, with 655 active cases and 38 deaths. Guam's positivity rate in the past seven days: 9.21%.**
- Governor LG held a press conference on September 24, 2020, before GVB's board meeting.
 - Retail shops and unique shops (nail salons, hair salons, etc.) are allowed to open at 25% capacity with a 6 feet distance and only by appointment.
 - Restaurant & dining is still not allowed. However, outdoor dining is permitted. A table of six must be of the same household with six feet distance between tables.
 - Non-contact sports - watersports, scuba diving, golf, and tennis are allowed.
 - The general office is allowed to operate by appointment only.
 - All permitted businesses must follow DPHSS guidance.
 - Quarantine protocol effective September 26, 2020; all incoming arriving passengers will be under quarantine. On the 6th day at the quarantine site, PCR tests will be conducted. If negative, individuals are allowed to home quarantine for the remaining balance of 8 days.
 - Currently working on software to track these individuals, it will be announced at a later date.
 - Governor LG reinforced and encouraged others to download the Guam COVID Alert app.
- On September 23, 2020, the GIAA announced its new protocol in entering the terminal. One entrance on the first floor. The second is across the parking lot on the ground floor.

X. OLD BUSINESS

- None

XI. NEW BUSINESS

- None

XII. EXECUTIVE SESSION

- None

XIII. PUBLIC COMMENTS

- None

XIV. ANNOUNCEMENTS

Upcoming Board Meetings:

- October 8, 2020
- October 22, 2020

XV. ADJOURNMENT

Director Shimizu made a motion, seconded by Director Camacho, to adjourn the Board of Directors regular board meeting at 2:43 p.m. **Motion Approved.**



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



Board Minutes respectively submitted by Valerie Sablan, Executive Secretary