



## REGULAR BOARD OF DIRECTORS MEETING MINUTES

Thursday, January 14, 2021, at 1:30 pm.

<https://www.gotomeet.me/GUAMVISITORSBUREAU/boardmtg011421>

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### I. CALL TO ORDER

### II. ROLL CALL

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

### III. MINUTES OF THE PREVIOUS MEETING

**EXHIBIT A**

Director Camacho made a motion, seconded by Director Gatewood, to approve the minutes of the previous Board of Directors meeting dated December 10, 2020, subject to minor corrections. **Motion Approved.**

### IV. CHAIRMAN'S REPORT

- Commended the bureau for organizing the memorial for former GVB Japan Manager Yuji Mitsumori held on December 30, 2020.
- Encouraged the board to fight for tourism's startup
- significant progress was made in sustaining a low CAR score; testing and vaccinations have been ramped up
- GVB continues to focus on preparations to make Guam a safe destination to visit
- Thanked oversight chairwoman Senator Therese Terlaje for her support to the bureau and wished her well as the new Speaker of the Guam Legislature
- He thanked outgoing Speaker Senator Tina Muna-Barnes for all her support to the bureau and the industry throughout the years.
- Welcomed the new tourism oversight Chairwoman, Amanda Shelton
- Thanked TECO (Taipei Economic and Cultural Office) for their continuing efforts to strengthen ties between Guam and Taiwan. They currently support and arrange medical referrals for Guam residents to receive medical treatment in Taiwan.
- A proposition to expand Guam's Taiwan office representation to include GEDA and GIAA is in discussion; Vice President Perez will provide an update
- Thanked Director Gatewood for leading the Membership meeting on December 29, 2020
- Thanked the GVB Board of Directors for their time, service, and support of the bureau in 2020
- Thanked the Management and staff for the work and dedication in 2020 and reminded everyone that the Board should remain committed to working with Management & Staff and the industry to find solutions in the pandemic environment.
- Governor Leon Guerrero relaxed restrictions by moving Guam's PCOR status from PCOR1 to PCOR2
- Encouraged everyone to continue to follow business, wear their masks, practice social distancing, and be consistent with proper hygiene practices.

### V. PRESIDENT & CEO and VICE PRESIDENT'S REPORT

#### HOT Bond Refinancing

- GVB initiative anticipating austere budgets from COVID-19, needed during slow recovery, approved by the Legislature December 20, 2020
- Conference call with bond counsel and underwriters on January 12, 2021
- GEDA, DOA, BBMR, GVB, AG were all represented
- Discussed tasking schedule for an April 1<sup>st</sup> delivery date, expected total savings \$14.6 M
- Estimated cashflow benefit to GVB about \$100k this year, \$2.8 M next year, and about \$3.9 M after that for three years
- Zoom calls, rating agencies (S&P - Moody's) 2/13, followed by investor presentations 3/5, due diligence and pricing 3/24
- Closing 3/31 and delivery 4/1

**Koko Learning Online**

- The primary goal is more in-depth knowledge of Guam's cultural heritage and history
- Objectives
  - Creating multi-lingual virtual learning experience and
  - Establishing contact and interest of future visitors
- Benefits
  - Broad reach and penetration in source markets, local students, and others interested in the attributes that define the Guam brand identity
  - Engagement with J-K-T source markets during COVID-19 lockdown and
  - Foundation laid for GVB marketing, PR, and educational opportunities
- UOG PMBA Cohort 16 and GVB App development Project
- Special thanks to the UOG PMBA COHORT 16, adviser Dr. John Rivera, Dave Tydingco, Monte Mesa, Bill Nault, GVB Marketing Team

**Electronic Declaration Form Update**

- Software development completed, 40% of hardware received
- Complete internal testing by early Feb and rollout in March
- Developing instructional video and signage

**Projected Arrivals (Rounded) FY2021**

- GVB Original 251,000 and then 201,000 Revised Q-1
- PL35-99 Budget Law 400,000 pax
- Q-2 latest revision 82,600
- Prolonged impact from COVID-19 restricted travel and quarantine protocols, Guam and J-K-T source markets (90% visitors)
- Some optimism going into Q-3 and Q-4 ending 9/30/21
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**FY2021 Projections**

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FY 2021: 81,961 (89,219)

Month	FY 2019	FY2020	FY 2021 Projected
Oct	121,656	134,830	2,331
Nov	132,849	143,987	2,562
Dec	146,104	157,408	2,181
Jan	147,507	157,479	2,546
Feb	137,244	116,746	2,506
Mar	146,332	35,310	4,195
Apr	121,004	1,557	8,148
May	120,411	1,502	8,421
Jun	123,528	2,221	9,799
Jul	136,878	1,385	10,871
Aug	159,856	2,048	15,513
Sep	137,680	2,912	13,538
<b>TOTAL</b>	<b>1,631,049</b>	<b>757,385</b>	<b>82,611</b>

Source: Seat Capacity Dile Ni Market Intelligence report. Note-Seat Capacity reduced based on current market conditions

9 MAKING GUAM A BETTER PLACE TO LIVE, WORK & VISIT

## **Strategic Factors Impacting Recovery**

### **1) Market Environment**

- Guam tourism and hospitality industry model built on large scale, east Asian, volume-driven, niche aggregations
- Space distancing scaled-down densities, Post COVID-19 environment is antithesis of touchy-feely and close personal contacts that characterize friendly island destination image
- COVID-19 and IoT have accelerated narrowing market distribution structure, displacing traditional selling and booking arrangements

### **2) Local Issues as of January 11, 2021**

#### **Covid-19 containment and hospitalization capacity**

- Significant progress since second wave Sept-Oct and CAR score 40 +/- (COVID Area Risk scoring)
- CAR score accounts for incidence of new cases, testing and contact tracing effectiveness, virus spread (Ideal score 2.5 correlates with low - zero COVID hospitalization, fatality)
- Primary tool assessing potential spread metrics on case doubling time, test positivity rate, new cases per 100K population
- CAR score currently 1.5 and under 2.5 since Dec 3, vaccinations in progress since early December

#### **Community preparation**

- Intensified destination cleanup, fixed hotel row flooding problem
- Working with GHRA - UOG - GCC to "safe certify" island hotels, restaurants, retail shops, option tours, transportation, etc.
- GVB designated credentialing authority by WTTC (UNWTO recognized). Ready to launch with membership
- Guam airport has earned WTTC "safe airport" designation, first and last destination impression
- Introducing paperless arrival and customs forms, Beta testing this month with QR codes allowing connectivity to Guam Public Health and Common Pass or WHO Apps (International health validation protocols)
- Refocused energy and resources on Guam to assist with containing the virus
  - Social Media and radio campaigns encouraging guidelines and downloads
  - COVID Alert App
    - 30,001 total downloads as of January 12, 2021
    - Download percentage to 73,200 target is 40.98%

#### **Recovery: Requests to DPHSS**

- Accepting visitors from Japan, Korea, and Taiwan with proof of negative PCR Test within five days of arrival (GIAA & GVB recommendation)
- No quarantine on Guam if fewer than five days stay
- Capable of providing testing, if required by country

#### **Market Engagement**

- Call to action campaign ready
- Need to rebuild travel network
- In constant communication with travel partners
- Sub-sector support of tour guides and optional tours ready and pending lifted restrictions

### **3) Source Market Issues**

#### **Japan**

- In 3<sup>rd</sup> wave
- Restrictions increasing for Tokyo and surrounding areas
- Vaccine distribution scheduled to begin in March

- Travel industry anxious to restart - April Sales
- Korea**
  - Securing enough doses for 56m people (K population at 51.64m) to begin in Feb
  - Guam was the #1 U.S. destination pre-COVID, making the island a priority for travel
- Taiwan**
  - First to see problem coming
  - Only imported cases (no local spread)
  - Travel restrictions lifted by U.S.
  - Active discussions with American Institute in Taiwan (AIT) and the Taiwan government (MOFA, MOTC, CAA) create a travel bubble.

#### 4) Air Service

- Flights per week Pre COVID-19: 225
- Flights per year: 11,600
- United Airlines
  - Never stopped flying (HNL, NRT)
  - Resumed limited service to KIX, NGO, FUK
  - Continued limited service to MNL
  - Guam freight hub to Asia
- Japan
  - UA, JAL, t'way, Jeju
  - JAL suspensions until March
- South Korea
  - KE, Air Seoul - pending announcements
  - t'way - March
  - Jeju - July
  - Jin Air - considering Feb 21<sup>st</sup> start
- Taiwan
  - China Airlines: scheduled to resume in March
  - Eva Air announced plans to renew Guam service
  - Starlux on 11/8 applied with Taiwan Civil Aeronautics Administration (CAA) for approval of flights to Guam and 14 other U.S. destinations (2022)

#### All Markets: COVID-19 Testing:

- Guam Public Health has approved 32 PCR test from the comprehensive list provided
- Japan, Korea, Taiwan
- Opens new possibilities for Guam once quarantine measures are lifted

#### Recovery

- Rapid testing, vaccine distribution, all coming together to create a positive outlook
- PCOR2 announced effective Monday, January 18
- Green shoots of tourism business anticipated
- Optimistically 5 - 10% pre-covid by Q-4 ending September 30, 2021
- Sustain recovery momentum going into next FY 2022
- Anticipate 60% arrivals (2020 450,231) by FY 2023

#### Tour Guide Certification

Expanding course offerings to include Marine Tour Operators

- The course aims to reduce the impacts of tourism and recreational use on our coastal environment.
- Course curriculum modules reviewed by the University of Guam
- Certification courses will be offered for free and hosted virtually on a training platform.
- Training platform funded for up to (3) years under grant funding.

### Culvert Cleaning Update

- LMS Pump Truck arriving February 5
- Will clean remaining two culverts

### Membership

- The nomination deadline closed on January 9<sup>th</sup> at 5:00 pm
- Total of (7) eligible nominees
- GVB membership committee to host election virtually
- Election scheduled for February 9, 2021

### Questions & Comments:

- Chairman Ada asked whether there was any indication when quarantine requirements might be reviewed or changed?

According to Vice President Perez, there are inconsistencies between the COVID Advisory Team coming out from the CDC and the local executive order related to testing.

- Antigen testing is allowed; however, we do not allow for it
- Issue with self-quarantine for seven days; even with a negative test

Once clarity is made by the DPHSS, Management will share with the Board.

- Director Shinohara questioned the assumptions explicitly used for this year and the assumptions used to get to 60% of our historical arrivals in 2023. According to Vice President Perez, the numbers do not look good. It is complicated to forecast unless our source market provides more positive indications on their quarantine issues and additional air service.
- Director Gatewood asked with guidance from DPHSS, once vaccines are distributed, what will the process be for incoming travelers who have been vaccinated? What is the process for outbound travelers? What happens if you've taken the first shot but not the second? According to the Director of Global Marketing, Nadine LG, the vaccine does not prevent you from being infected by COVID. Quarantine protocols are still in place whether you are vaccinated or not.
- Director Gatewood would like to see social media campaigns targeting our local audience to encourage vaccination

## VI. TREASURER'S REPORT

1. **Director Shinohara made a motion, seconded by Director Gatewood, to approve all Adjusting Journal Entries required to bring the Balance Sheet Accounts up to accurate balances, including reconstruction and update of existing supporting schedule as of September 30, 2020, fiscal closing. Motion withdrawn by Director Shinohara.**

**Background:** As part of the due diligence and proper disclosure to the GVB board, management addressed significant accounting issues that were carried back from prior years audit. The action taken was reconstruction and updates of various balance sheet accounts inactive since year 10/01/2017 (last MIP book closing). This adjusting entries and account schedule prepared brings up the balance sheet account balances up to date and provides a validated baseline to ensure successful reconfiguration of the MIP Accounting system from now on and ensures accurate financial reporting presentation. The balance sheet accounts reconciliation and clean up resulted in an additional \$75,279.79 operating expenses under GL Account no.: 7000 (Inactive Balance Sheet Accounts) for FY2020 fiscal closing.

**Cost Estimate:** No Actual Spending except increase in Operating Expenses for FY20

**Funding Source/Account:** N/A

**Action Required:** Board Approval Required

### **Comments & Questions:**

The Board agreed that the motion presented was only for their informational purpose; an action was not needed.

- Director Shinohara stated that some adjustments were made to the journal entries on GVB's balance sheet due to prior year inconsistencies in numbers. Long outstanding issues were reconciled, and entries were adjusted for those outstanding issues. For transparency and clarity, these measures were taken to clean the books for the incoming Board of Directors in the event of an audit and to ensure that the present Board of Directors properly approved it.
- Past fiscal years adjustment journal entries are being corrected and are the adjusting entries that have been previously identified by the auditors
- The board withdrew the motion, but agreed with Management's corrective action

### **Allotment**

- Waiting on December 2020 allotment
- Receiving just over half a million dollars a month
- GVB is in balance with our budget
- Bleak TAF is a concern and challenge
- Resources are being managed to care for our destination
- This year will continue to be challenging from a financial perspective

## **VII. REPORT OF THE BOARD COMMITTEES**

### **A. EXECUTIVE COMMITTEE**

- None to report

### **B. ADMINISTRATION & GOVERNANCE**

- None to report
- Director Arriola mentioned that the Administration called for FY22 budget preparations and asked how preparations are coming along.
- According to Vice President Perez, a budget call was made. GVB was not able to meet the December 18, 2020 deadline. A staff call out was made, and information will be made available by the week of January 18<sup>th</sup>.
- The budget will be submitted to the Board for review and then submitted to the Legislature by January 22, 2021.

### **C. DESTINATION MANAGEMENT**

- None to report

### **D. VISITOR & SAFETY SATISFACTION**

- None to report

### **E. CULTURAL HERITAGE & COMMUNITY OUTREACH**

- None to report

### **F. RESEARCH / MEMBERSHIP**

#### **Research**

- The Digital Customs form was summarized in Vice President Perez's report

#### **Membership**

- Election to be held virtually (8:00 am - 12:00 pm) on Tuesday, February 9, 2021
- Four Board Members to be elected
- Seven eligible nominees
- An email was sent to each nominee to verify their acceptance
- Accommodations will be made for individuals who would like to vote in person at GVB

## G. SPORTS & EVENTS

- None to report

## H. AIR SERVICE DEVELOPMENT & CORONA VIRUS TASK FORCE COVID Task Force Committee Minutes dated December 16, 2020

EXHIBIT B

- Thanked Vice President Perez for summarizing his report in detail.
- On Guam, there are 7,444 confirmed cases, with 112 active cases and 124 deaths.
- Guam's COVID Area Risk (CAR) Score is 1.1.
- Japan: Cases continue to increase
  - As of January 14, eleven of forty-seven prefectures are in a state of emergency until February 7<sup>th</sup>.
  - Not accepting foreign arrivals into Japan
  - Japanese nationals are required to have a PCR test results upon arrival and conduct testing at the airport and must concur to strict quarantine protocols
  - Japan is following the same protocols as the CDC; must have the PCR documentation in possession
  - Japan aims to vaccinate 75% of the population; current vaccinations in inventory will not supply that full amount. Projecting it will be done by the first quarter of 2022.
- Taiwan, Korea, and Japan are becoming stricter with all arriving foreigners' border entry due to the new strain found in the UK.

### COVID-19 Vaccinations

Total vaccinations administered in Guam:

- Pfizer/BioNTech
  - Total doses administered: 9,406
- Moderna
  - Total doses administered: 2,000

Administered to the following groups in phases:

- Phase 1a: Healthcare personnel and residents of long-term care facilities
  - Phase 1b: Elderly adults ages 75 and up, first responders, and essential frontline workers
  - Phase 1c: Adults 60-74 years of age
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- Director Arriola shared Guam passed the 12,000 threshold of vaccinated residents
  - Several clinics have been approved to administer vaccinations

### Governor Signs Executive Order No. 2020-45

EO No. 2020-45 allows congregations of no more than fifteen (15) persons and indoor dining at eating and drinking establishments at no more than 25% of occupancy.

### Governor Signs Executive Order No. 2020-46

Effective January 11, EO No. 2020-46 authorized additional activities such as amusement parks, bingo halls, game rooms, and similar businesses to resume operations at a limited capacity

## AIR SERVICE UPDATES:

### Japan

**ACTION: Management to identify an official entity where PCR tests are administered for foreign nationals living in Guam; post on GVB website.**

## South Korea

- Jin Air continues to fly as scheduled

## Taiwan

- No changes from the last meeting

**ACTION: Management to monitor and bring to the Board's attention new legislative bills relative to GVB for review and feedback ASAP.**

## I. JAPAN

Committee Minutes dated December 15, 2020

**EXHIBIT C**

- GVB hosted a virtual memorial ceremony for Mr. Yuji Mitsumori, former representative of the GVB Japan office, on December 30, 2020. More than 100 individuals paid their respects online.

### Japan Market update

- The number of COVID19 infections in Japan has increased explosively since late December 2020
- Japanese Government declared a state of emergency over COVID19 for Tokyo and three neighboring prefectures (Kanagawa, Chiba, and Saitama) on January 7. Osaka, Kyoto, Hyogo, Aichi, Gifu, Tochigi, and Fukuoka will be included
- The domestic travel, Go to Travel campaign is canceled until improvement is made
- The first new COVID-19 strain was reported in Japan on December 25
- Quarantine restriction measures are in place for the time of entry
- Japanese natives returning to Japan are required to submit a negative PCR test certificate 72 hours before entering Japan
- The Japanese government will provide free COVID-19 vaccinations nationwide by late February 2020.
- Flights suspended
  - JAL - suspended until March 20, 2021
  - United - all Japan flights suspended until March 3<sup>rd</sup>, except Narita UA 196/197
    - UA 196/197 suspended on Tuesdays and Wednesdays in February 2020
- Japanese travel agency package tours to Guam are canceled
  - until February 28 for JTB, HIS, and KNT
  - until February for NTA
  - until March 20 for JALPAK
- JATA Tourism Expo Japan in Tokyo, scheduled for January 7-9, 2021, is canceled
- Next JMC meeting - January 19, 2021

## J. KOREA

Committee Minutes dated December 15, 2020

**EXHIBIT D**

### COVID update

- COVID cases sustained at 800-1000 for several weeks
- The second week of January showed a positive drop to about 500 cases
- Current level of social distancing; 2.5 in Seoul and 2 in the rest of the country
- In Seoul, social gatherings of more than five people are prohibited
- Restrictions to end on January 17<sup>th</sup> based upon official review
- Incoming flights from UK are banned until January 21<sup>st</sup> to keep the new strains from the UK from entering the country

### Airline Updates

- Jin Air operating weekly flights with the possibility of operating daily flights beginning February 21, 2021
- Jeju planning on resuming flights in July 2021

### Travel Agencies

- Very Good Tour: overseas pre-sales for April 2021



- Hana Tours – overseas pre-sales for May 2021
- Mode Tour – overseas pre-sales for March 2021
- KMC meeting scheduled for January 19

**K. GREATER CHINA**

Committee Minutes dated January 08, 2020

**EXHIBIT E**

- Chinese New Year February 12
- Governor LG will visit Taiwan and officially meet Taiwan government officials and the American Institute of Taiwan in June 2021
  - Delegation to include GVB, GEDA, and GIAA
- GVB, GEDA & Guam Airport

**L. NORTH AMERICA & PACIFIC MARKETS**

- US Embassy in the Philippines extended the FY2020 contract until the end of FY2021

**VIII. OLD BUSINESS**

- None

**IX. NEW BUSINESS**

- None

**X. EXECUTIVE SESSION**

- None

**XI. PUBLIC COMMENTS**

- None

**XII. ANNOUNCEMENTS**

Upcoming Board Meetings:

- January 28, 2021

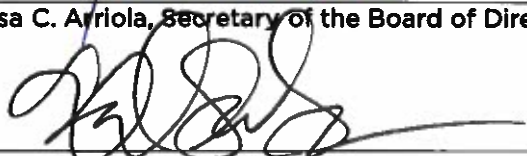
**XIII. ADJOURNMENT**

Director Shimizu made a motion, seconded by Director Camacho, to adjourn the Board of Directors Regular Board Meeting at 3:05 pm **Motion Approved.**



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



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Board Minutes respectively submitted by Valerie Sablan, Executive Secretary