



REGULAR BOARD OF DIRECTORS MEETING
Thursday, January 28, 2021, at 1:30 p.m.
TELECONFERENCE - GoToMeeting
<https://www.gotomeet.me/GUAMVISITORSBUREAU/bodmtg012821>

AGENDA

I. CALL TO ORDER

- A quorum being present, the meeting was called to order at 1:33 p.m. by Chairman Ada.

II. ROLL CALL

III. MINUTES OF THE PREVIOUS MEETING

EXHIBIT A

Director Shimizu made a motion, seconded by Director Murata, to approve the minutes of the previous Board of Directors meeting dated January 14, 2021, subject to minor corrections. Motion Approved.

IV. CHAIRMAN'S REPORT

Updates

- Due to low CAR scores, vaccinations, and lifting of restrictions for business operations, Chairman Ada is optimistic about the opportunity to open Guam's tourism industry
- GVB and industry members must focus on what is required to open and sustain our economy
- Chairman Ada is thankful for Governor LG's leadership
- Met with Committee Chair Senator Amanda Shelton on January 19, 2021.
 - Encouraged the GVB team to support her and her staff with industry information.
- Welcome letters were sent to newly appointed board directors, Mrs. Laura Nelson-Cepeda and Mr. Ho Eun; Chairman Ada thanked them for joining the Board and looked forward to their thoughts and ideas.

Message of Appreciation

- Thanked Directors Matsumoto and Gatewood for their time and service to the Board of Directors.
- Conveyed his appreciation for Director Arriola bringing industry insight that helped the Board make decisions, Director Gatewood for bringing young professional attention and vigor to the Membership and Research Committee. He kept Chairman Ada updated on social media's power and the importance of the Bureau staying on top of social media developments and its use and ability to reach travel consumers.
- New directors will join the Board after the February membership election
 - Arrangement will be made for an orientation and overview of the Bureau for new and current directors.
 - Election of Officers will take place
 - Assignment of committee chairpersons
 - If allowed in-person meetings; arrangement location at GVB or elsewhere if necessary

Taiwan

- Chairman Ada met with TECO, GEDA, and GIAA on January 27, 2021, to discuss the work to expand Guam's presence with a Guam Taiwan office's opening versus a representative tourism office. Management from all three entities will work on details for an expansion office.

V. PRESIDENT & CEO'S REPORT

Non-TAF Funds

- Senior Management and Chairman Ada met with receptive Oversight Chairwoman Senator Amanda Shelton; discussed GVB's needs for non-TAF funds
- Senior Management conveyed the need for non-TAF funds to carry GVB into FY22 with Governor LG during their monthly meeting
 - the Bureau is doing everything to stay within the limited budget for the remainder of FY21
 - Governor LG is receptive and taking the request into consideration
 - Governor LG is examining limitations that are lifted from the CARES funding
- Both Senator Shelton and Governor LG understand GVB's need to attract visitors back to our island and the need to build our economy
- GVB is thankful to the Governor, Senator Shelton, and all who allowed GVB to grow and stabilize through these challenging times

GVB Taiwan Office Expansion

- GVB Management presented the case to GEDA and GIAA relative to expanding the GVB Taiwan Office
- Funds gathered from different agencies will be utilized to pay for a representative from Guam in Taiwan who will develop and build upon the relationship through tourism, airlines, medical, and business
- Taiwan would like to showcase Guam's culture
- GVB is working closely with TECO to open the Taiwan office to benefit Guam in tourism and economic development
- Governor LG to announce Guam's opportunity to look beyond tourism and to attract investors back to Guam with few loopholes which enable them to establish business on Guam

Opening up Guam

- Governor's proposed opening date - April 1, 2021
- Looking to ensure the safety of visitors arriving on Guam
- GVB is imploring Governor LG to consider opening bars; owners will comply by following strict safety protocols established by DPHSS to help stabilize Guam's economy

VI. VICE PRESIDENT'S REPORT

Updates

- The Guam Commercial Port would be the 4th group to join the coalition with GVB, GEDA, and GIAA, allowing GVB a more significant budget to utilize for Guam
- Chairman Ada acknowledged Director Arriola and thanked her for her years of service to the Bureau. Her knowledge and insight have served the Bureau well. He conveyed his appreciation of her wise counsel and hoped to see her return to the Bureau.
- Director Arriola thanked everyone and most especially thanked the President & CEO, the first governor who took a chance and allowed her to serve at GVB. Governor Gutierrez saw her enthusiasm and love for the people of Guam. She looks forward to being around and helping when she can.
- Vice President Perez wished Josh, Russell, Bree, and Karida a Happy Birthday

Welcome!

- Thanked the new legislative appointees for helping to add to the Board's diverse representation in the community
 - Laura Nelson-Cepeda
 - Ho Eun

Membership Board Elections - February 5, 2021

- Election runner e-tabulation software verifies voters and cross-checks voting
- An auditor and manual tabulation were used in the past
- Board approval required to vote electronically, so there is no contact
 - consistent with the direction to become more digitized; easily accessible to raw data if needed for verification or audits after the election and request for FOIA

FY 2022 Budget Call

- Met with Governor LG and Tourism Oversight Chairwoman Senator Amanda Shelton; both are open to provide support to GVB and assist in tourism marketing recovery
- Governor LG mentioned the need for GVB to obtain community support
- GVB will need non-TAF support to generate activity and for economic development and tourism; will seek from the legislature
- Competitive environment; other destinations will be after our customers

Recovery Status - Local Situation

- COVID-19 contained fairly well
- CAR scores below ideal 2.5 for the last two months; currently at 0.4
- Guam has been able to lessen the case numbers and working with more businesses to adopt health and safety hygiene protocols
- Ten percent of the population have been vaccinated, with more underway
- GVB, in conversation with Governor LG, spoke about restaurants working with GHRA to develop an acceptable protocol system and asked her to consider the same with some bar establishments to open up safely. Smaller bars may not qualify; those that could establish protocols should be able to operate.

Market Engagement

- GVB keeping engaged with the market
- GVB continues to monitor
 - source markets pandemic status
 - airline and travel industry intel
 - and is in communication with marketing representatives

Social Media

- GVB uses social media to expand the reach and penetration of safety messaging to contain the virus through information of facts, updates, and analysis
- GVB thanks Modern Exposure for providing a generous offer of support. Their in-store signage at nearly 70 locations helps to reach the community. They have been promoting and pushing Guam's COVID alert app

Customs & Quarantine Electronic Declaration Form

- Software completed, tweaked, and finalized
- The first batch of kiosks were received this week
 - beneficial for those without an electronic device; information could be entered and printed at the kiosk before checking out with Customs & Quarantine
 - useful to Guam Customs; documents performance standards of Customs agents
 - how quickly they process people
 - what issues are creating delay
- Good for visitor experience

HOT BOND Refinance

- GVB met with underwriters and bond counsel on January 27, 2021
- Reviewed the second preliminary official statement draft
- Asked to prepare more information on tourism to strengthen our story for the rating agencies
- Rating agency meeting scheduled for mid-February
- Closing - March 31, 2021
- Delivery of proceeds - April 1, 2021
- FY21 will have the benefit of about \$100K
- Starting FY22 will have the added benefit of \$3.8M

Appreciation Remarks from the Vice President

- Thanked Directors Murata, Kloppenburg, Shinohara, and Camacho for being excellent participants in many issues spoken about on matters related to governance at the Bureau. He conveyed the Bureau's appreciation for their help and guidance as GVB handled various issues.

VII. TREASURER'S REPORT

- The Executive and Legislative branches requested GVB's FY22 Budget
- GVB is challenged in preparing for the FY22 budget due to the bleak outlook concerning where we are from, a tourist attraction fund, and a visitor industry recovery.
- GVB assembled a conservative budget request of \$20M for submission to the legislature

1. Director Shinohara made a motion, seconded by Director Camacho, to approve GVB's FY2022 budget request of \$20M for submission to the legislature. Motion Approved.

Background: GVB received BBMR's Circular 2021-03-FY2022 budget call. The initial deadline was December 18, 2020. Using the current TAF revenue levels will be difficult for GVB to ascertain its budget based on the incoming TAF dollars. The budget ceiling requested for board approval represents an 11% decrease from FY20 (\$22.1M) and 10% from FY19 (\$22.4M). The Bureau has also absorbed significant budget cuts for FY21 (\$6.3M), with about a 71% decrease compared to past years. The GVB team will continue to work on the budget digest details to revitalize the economy and prepare for the legislature budget call.

Questions & Comments:

- Director Shinohara mentioned the GVB team would be working hard to put a detailed budget together; a \$20M ceiling for GVB is not out of the realm of reasonability to submit as a budget request.
- Vice President GP needs the Board to agree to the proposed \$20M, and then the team can finalize the details - two things must be done:
 - Amount must be broken into categories provided by BBMR and the administration Break the amount into the categories provided by BBMR and accounting
 - Secondly, management will stand by for the Board to approve the allocation of the 20M
- \$20M budget requires board approval before submission to the legislature; Board to agree with the foresight that the opportunity to divvy up the \$20M and allocate it
 - Adjustments can be made after, and the budget can be discussed with the committees
 - Need Board to agree to the 20M with the caveat that the

VIII. REPORT OF THE BOARD COMMITTEES

A. EXECUTIVE COMMITTEE

- Nothing to report

B. ADMINISTRATION & GOVERNANCE

- Nothing to report

C. DESTINATION MANAGEMENT

Update

- The team is addressing graffiti issues across Tumon
- The team continues to address several reported roadside issues
- Vice President Perez reported the photoelectric cells had been repaired

D. VISITOR & SAFETY SATISFACTION

- Nothing to report

E. CULTURAL & HERITAGE

- Nothing to report

F. RESEARCH / MEMBERSHIP & COMMUNITY OUTREACH

Update

- Membership Election is scheduled for February 5, 2021
- 2. Motion made by Director Camacho, seconded by Director Kloppenburg to approve FY21's membership electronic voting instead of the manual voting, conducted in the past. **Motion Approved.**
 - Voting instructions are being prepared for handouts, and each proxy will be assigned accordingly
 - The deadline to submit proxies or make changes is on February 4th at 8:00 a.m.
 - Members have been reminded
 - Voting is all electronic
 - A kiosk will be available at GVB and managed by staff
 - Individuals who would like to do in-person voting or those who have questions or issues

G. SPORTS & EVENTS

- Guam Sports Events Incorporated announced that the upcoming United Guam Marathon (UGM) is postponed due to safety concerns.
- UGM is being pushed back to the fall
- No other upcoming events or announcements

H. AIR SERVICE DEVELOPMENT & CORONA VIRUS TASK FORCE

EXHIBIT B

COVID-19 Cases as of January 28, 2021

- 101 million cases worldwide
- 26 million cases active
- US - 26 million confirmed cases, 9.8 million active cases
- Guam - 7,568 confirmed cases, 88 active cases, 129 deaths

Japan

- Case numbers are fluid
- In a state of emergency until February 8
- Trying to secure vaccines
- The public vaccination target date is April 1
- The business bubble is strict; the border is closed off to foreigners who wish to visit Japan

Korea

- Trying to control safety protocols
- Hawaii's borders are open to Korea
- nationals can conduct PCR testing in their homeland, and if negative, no quarantine restrictions apply to them in Hawaii; upon their return to Korea, they must quarantine for ten days.

Taiwan

- numbers look good

Vaccines

- administered on Guam - 22,094
- Fully immunized individuals - 4,751
- There are no changes to phases A, B, and C
- Phase 1B essential workers now include childcare workers
- Phase 1C - patients discharged from GMH and GRMC who have been diagnosed with at least one comorbidity regardless of age will be administered a vaccine.
- Guam received 7,200 Moderna vaccines on January 14, 2021

Air Service Updates

United

- UA196/197 – Operates five times weekly except Tuesday and Wednesday in February
- All Narita flights are suspended until March 3, 2021

T'way

- Suspended until February 20, 2021

Jeju

- May extend suspension until February
- Will launch air ticket sales promotions commencing on February 2 through the 10th
- Plans to resume flights from Incheon to Guam by June 1, 2021; subject to change

Jin Air

- Attempting to fly daily on February 21; subject to change
- Operating weekly from Incheon to Guam

Overall Market

- Military personnel will be in Guam for R&R for February; hotels rooms will be occupied

Questions & Comments:

- Vice President Perez reformed Hawaii's policy was opening up to Korean travel without the need to quarantine, as reported by Vice-Chairman Morinaga. The CDC does require quarantine on arrivals, as stated on their website.
- Vice-Chairman Morinaga agreed that a conflict exists in both Hawaii's protocol and the CDC protocol.
- Hawaii has opened their doors to trusted hospitals that administer PCR tests

I. JAPAN

EXHIBIT C

Committee Minutes dated January 19, 2021

COVID-19 Update

- Number of cases on a slight decline, although still high
- Seriously ill patients reached a high record of 1,043 as of January 27, 2021
- state of emergency observed until February 7 with consideration to extend until the end of the month
- A new strain of COVID was reported in Japan
- Japan bans foreigners from entering the country
- Returning residents are required to submit a negative PCR test result certification 72 hours before entering Japan
- New entry measures effective until February 7 at this time
- Government to provide free vaccines across the nation commencing late February

Market Update

- Tokyo Olympic games postponed until summer 2021
 - Quarantine restrictions will not relax should the Olympic games be canceled
- Suspension of flights and cancelation of package tours have been extended
 - JAL suspended until March 20
 - All United flights except Narita (UA196/197) are suspended until March 3
 - Starting in February, UA 196/197 are suspended on Tuesday and Wednesday and open five times a week
 - T'way and Jeju suspensions have been extended

- Next JMC meeting - February 16, 2021

J. KOREA

EXHIBIT D

Committee Minutes dated January 19, 2021

COVID-19 Update

- Slight downward trend
- Cluster infections increased and monitored by authorities
 - Part of religious gatherings
- No changes in social distancing levels
- Seoul continues its capacity limits with gatherings
- Authorities looking to tighten restrictions on domestic travel during the Lunar New Year holiday from February 11-13, 2021
- South Korea obtained enough vaccines to vaccinate 76 million people
 - Looking to start vaccinations in late February or early March and continue until September
 - Vaccines will be available free of charge to nationals and foreign residents in South Korea

Market Update

- Jin Air - ongoing weekly flights
- Jeju Air launching air ticket sales promotion February 2-10, 2021; targeting departures
 - Tentative plans to resume Incheon Guam flight beginning June 1, 2021
- Hana Tours looking to cut costs
 - Anticipating to downsize
 - attempting to sell their Seoul Headquarters building and two business hotels
- Mode Tour employees are taking paid leave from February to May and unpaid leave from June to September
- Next KMC Meeting is scheduled for February 16

Questions & Comments:

- Chairman Ada asked whether inbound travelers or the Korean government will pay ten-day quarantine expenses. According to Vice Chairman Morinaga, inbound travelers are responsible for the quarantine expenses.

K. GREATER CHINA

- Director Camacho thanked Nadine, Elaine, Gabbie, management and staff, and those who supported the Greater China Committee for their help and supportive efforts in the past few years.
- Next GCMC scheduled for February 12
- Chinese New Year is February 12

L. NORTH AMERICA & PACIFIC MARKETS

- Nothing to report

IX. OLD BUSINESS

X. NEW BUSINESS

XI. EXECUTIVE SESSION

XII. PUBLIC COMMENTS

XIII. ANNOUNCEMENTS

Upcoming Board Meetings:

- February 11, 2021
- February 25, 2021

XIV. ADJOURNMENT

Director Shimizu made a motion, seconded by Director Camacho, to adjourn the Board of Directors regular board meeting at 2:40 p.m. **Motion Approved.**



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



Board Minutes respectively submitted by Valerie Sablan, Executive Secretary