



REGULAR BOARD OF DIRECTORS MEETING MINUTES

Thursday, February 25, 2021, at 1:30 pm.

GVB Conference Room and Teleconference - GoToMeeting

<https://www.gotomeet.me/GUAMVISITORSBUREAU/board-meeting-022521>

I. CALL TO ORDER

- A quorum being present, Chairman Morinaga called the Board's regular meeting to order at 1:33 pm.

II. ROLL CALL

III. MINUTES OF THE PREVIOUS MEETING

EXHIBIT A

Director Shmizu made a motion, seconded by Director Ada, to approve the minutes of the previous Board of Directors meeting dated February 11, 2021, subject to minor corrections. Motion approved, subject to correction.

IV. CHAIRMAN'S REPORT

- Committee Chair & Vice Chair Assignments
- Replaced Greater China Market and renamed it as New Market
- Created a new committee effective immediately - Reopening Task Force
 - Director Shinohara to assemble community members involvement

Director Cepeda made a motion, seconded by Director Shinohara, to approve Committee Chairs and Vice Chairs' In accordance with names listed in Attachment A. Motion approved.

COMMITTEES	CHAIRPERSON	VICE CHAIR
EXECUTIVE		
ADMINISTRATION & GOVERNANCE	DERRICK GUINATA	LAURA NELSON-CEPEDA
DESTINATION MANAGEMENT/VISITOR SAFETY & SATISFACTION	SAM SHINOHARA	MAYOR PACO
NEW MARKET	SONNY ADA	FLORI-ANNE DELA CRUZ
CULTURAL HERITAGE, COMMUNITY OUTREACH & BRANDING	LAURA NELSON-CEPEDA	STEVE GATEWOOD
RESEARCH/MEMBERSHIP	JEFF JONES	STEVE GATEWOOD
SPORTS & EVENTS	STEVE GATEWOOD	N/A
AIR SERVICE DEVELOPMENT	MILTON MORINAGA	PAUL SHIMIZU
JAPAN	CHARLES BELL / PAUL SHIMIZU	MILTON MORINAGA
KOREA	EUN HO	BEN FERGUSON
TAIWAN	MILTON MORINAGA	SONNY ADA
NORTH AMERICA & PACIFIC MARKETS	PAUL SHIMIZU	JEFF JONES
REOPENING TASK FORCE	SAM SHINOHARA	BEN FERGUSON

- New Directors assigned to each committee shall coordinate with Vice President Perez to receive an updated brief on committee; cc any correspondence to management



- GVB email addressed will be assigned to new board directors for all official GVB correspondence and recordkeeping.

Japan Market

- To recover lost revenue, Japanese travel agencies will undergo restructuring on April 1, 2021
- JTB Japan will undergo changes in its management team across Japan

V. PRESIDENT & CEO'S REPORT

Ongoing discussions with Congressman San Nicolas

- Working on \$661M in federal funds available to replace revenue lost
 - Passed in the House of Representatives
 - Pending in the Senate
 - Estimated to be signed by the President - March 22
- Congressman San Nicolas assured President & CEO Gutierrez; every legislation that passes throughout the House include essential language on territories and tribal governments
- Funds are very flexible and can cover fiscal year shortfalls indefinitely
- GVB qualifies as a 501 (c) 6 as language states government agencies or government-affiliated non-profits can be supported as stated in the congressional intent
 - Continues beyond our losses in 2020

Beautification efforts with Mayor Paco

- Mayor Paco working with local company Design Studio Guam on wall printing technology to help with beautification efforts around the island
- Nakisha Garrido and Dee Hernandez to identify areas in Tumon

VI. VICE PRESIDENT'S REPORT

Ethics Training

- Required by law (Section 15409, Ch 15, Guam Code Annotated)
- GovGuam Boards and Commissions, Department Heads & Deputies
- Scheduled 2 hours on March 17 and March 19 at 10:00 am
- In-person GVB conference room and virtual "Go to meeting."
- Dan Fitzgerald, Deloitte, Instructor
- Confirm attendance with Valerie and/or Josie

HOT Bond Update

- Rating agency presentation took place February 17, 2021
- Anticipate final rating by the end of the week
- Potential to accelerate original financing schedule upon receiving the credit rating
- Investor calls expected to begin the week of March 8, 2021
- Anticipate Pricing the week of March 18, 2021, and closing before April 1

Financial Update

- Need board approval, new signatories needed
- Still waiting for December and January allotments \$1M
- Receiving \$191,000 this week and will await balance (in contact with DOA)

GVB Japan Office

- GVB Japan operations closed three years ago and contracted to marketing vendor Aviareps in 2019
- Osaka office closed 2018 and Tokyo downsized to one manager, sole access to GVB Resona Bank account activity with departure of last responsible employee, Ms. Keiko Sr
- Need board approval for GVB Financial Director to have access & direct supervision over bank account

Visitor Safety & Satisfaction

- Visitor Safety Officers continue to assist DPR in monitoring parks and beaches, site-control for GFD rescue, and providing safety and concierge services to residents.

Digital Academy

- The first webinar, "Running a Virtual Experience E-Commerce Business," was held on February 3, 2021, and had over 50 participants.
- Next Digital Academy workshop "E-Commerce 101 - Understanding Digital Consumers" on Wednesday, March 3, 2021, at 10:00 am. This workshop is free to GVB/GHRA members.
- Participants will receive a course certificate upon completion of a post-webinar evaluation.

Destination

Culvert Cleaning Update

- LMS Pump Truck arrived February 24
- Remaining two culverts to be cleaned

Quincentennial Anniversary

- Juan Sebastian De Elcano Navy Vessel
- 500th Commemoration of the 1521 Marianas encounter with the Magellan/Elcano expedition
- Arriving Guam on Friday, February 26: Northern Guam, Tumon Bay to Hagatna Bay
- Docking at Apra Harbor
- Commemorative Ceremony on 10:00 am, Tuesday, March 2 at F3, Port Authority of Guam
- Live stream on PBS

FY2021 Visitor Arrivals Update, Outlook

- Current Public Health Policy: Mandatory 14-day quarantine
- Even with a negative PCR test and/or vaccine
- Based on this policy, actual YTD arrivals and scheduled airlift LF's
- FY estimate 82 148 visitors (Guam arrivals early 1970's)
- Getting push back on low numbers not surprising
- Resurgent activity in Hawaii, the Caribbean, other destinations
- Cancun and Cozumel experiencing a brisk uptick
- Canary Islands 53% of pre-pandemic levels (vaccines and testing have allowed lifting of travel restrictions)

Island Arrivals Comparison



Destination	2020	2019	% of 2019	Dates
Puerto Rico**	522,853	1,111,962	47.0%	Jan - Aug
Jamaica	880,404	2,680,920	32.8%	Jan - Dec
Aruba**	368,322	1,118,944	32.9%	Jan - Dec
Bahamas	422,640	1,806,303	23.4%	Jan - Dec
Maldives**	555,494	1,702,887	32.6%	Jan - Dec
Seychelles**	114,858	384,204	29.9%	Jan - Dec
St. Kitts and Nevis	28,348	101,600	27.9%	Jan - Oct
St. Maarten	106,425	319,595	33.3%	Jan - Dec
Hawaii**	2,686,403	10,243,165	26.2%	Jan - Dec
Canary Islands	4,636,120	15,116,059	30.7%	Jan - Dec
Guam	328,173	1,666,665	19.7%	Jan - Dec

**No Quarantine required with a Negative PCR Test

Current projections of 82k are at risk under current Guam Public Health Protocols

Source: <https://tourismanalytics.com/index.html>

The chart above provides a perspective on a variety of islands (peer groups) and where they stand in recovery from 2019 levels

Enabling Policy Needed

- Public Health approved "Risk Proportionate" policy on health safety and hygiene protocols as it relates to our economic health in the community
- Need to balance visitor sensitive issues with practical health concerns, not single dimensioned and narrow-focused
- Risk management issue, not being mutually exclusive, but about being mutually inclusive and balancing both medical and economic health of the community
- A practical and realistic "Risk Proportionate" Policy can be helpful
- Provide positive impact
- Messaging campaign
 1. To communicate clear and unified public health information to residents and visitors concerning safety and hygiene measures in place at hotels, retail shops, option tours, restaurants, bars, ground transportation, and other attractions including public facilities such as the airport and boat harbors; and
 2. To build confidence in a safe destination experience for visitors and local employees in the value chain of tourism and other businesses
- Management opinion: Adopting a practical "risk proportionate" policy can facilitate a potentially + 30% upward adjustment in estimated arrivals from 82,148 to 107,000 visitors.
- Stretch goal +60% = 131,000??

Recalibrating Visitor Arrival Expectations

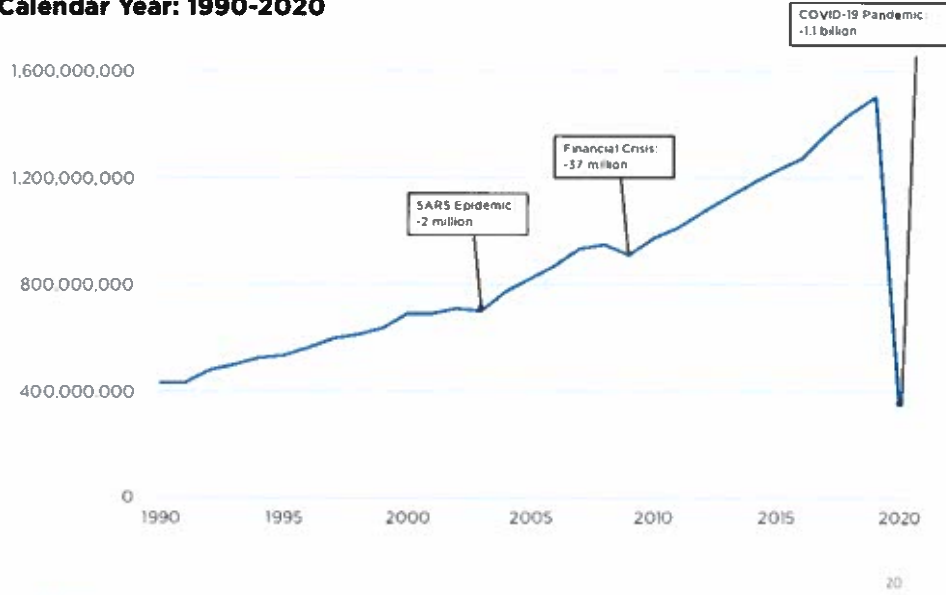
- Mentioned where we were (ARE) today (1970's) in estimated visitors
- Have shared strategic reasons for diminished travel demand: Bankrupted global economies, ongoing reconfiguration of tourism industry value chain, and radical departure from historically driven scale and consumer hygiene sentiments
- For the benefit of new board members and a reminder to others, instructive to see COVID-19 global tourism impact
- Helpful in recalibrating perspective and framing expectations for recovery, given the island's current COVID-19 public health protocol policy

Global Tourism Impact

Global Tourism Impact



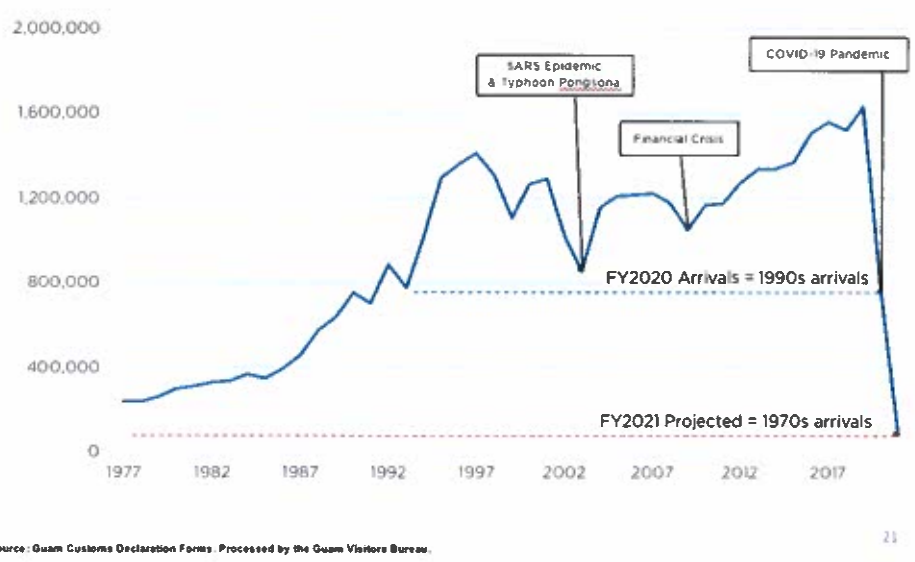
Calendar Year: 1990-2020



Guam's Tourism Impact



Fiscal Year: 1977-2020



Market Potential

Safety and Costs remain top concerns across all markets

- **Japan**
 - 17% indicated they are considering traveling to Guam
 - 93.7% desire to travel (to Hawaii) after government allows for travel without quarantine measures upon return
- **Taiwan**
 - Potential for controlled travel pods
 - Governors Cup (Golf tournament)
 - Focus on business travelers plus leisure

Future Travel to Guam

- **Korea**
 - 27% indicated they intend to travel internationally within the next year
 - 34% of ages 50-64 years intend to travel within a year
 - Older demographic eager to travel first

Conclusion to Date

- Guam is under-performing peer-group island tourism destinations
- Current Public Health Protocol Policy is one dimensional and an impediment to the pace of recovery
- Bad News: Like starting from the 1970s
- Good News: Our Island physical plant, institutional infrastructure, and Nexus to markets can enable recovery without waiting 50 years!

Questions & Comments

- GVB shall receive the remaining excess of the TAF of \$191,000 as questioned by Director Shinohara.
- Vice President Perez stated they would have to refill because our bond covenants require them to make up for what we need.

VII. TREASURER'S REPORT

Director Shinohara made a motion, seconded by Director Ada, to update GVB bank account signatories for Bank of Guam, First Hawaiian Bank, Resona, and Raymond James & Associates with the following new set of signatories: **Motion Approved.**

- 1) Milton Morinaga - Chairman
- 2) Samuel Shinohara, Board of Directors - Treasurer
- 3) Stephen Gatewood, Board of Directors - Secretary
- 4) Carl TC Gutierrez, President & CEO
- 5) Gerald Joseph SA Perez, Vice President
- 6) Josephine G. Villanueva, Director of Finance & Administration

Background: The required changes on account signatories result from the election on February 11, 2021. The last bank account signatories update was on July 23, 2020. The standard operating procedures (SOP) related to accounting signatories combination will remain.

Issue: Board approval requested.

Director Shinohara made a motion, seconded by Director Ada, to approve management authorization for the Director of Finance & Administration - Josie Villanueva, access to any and all bank accounts owned and operated by GVB, and to enable online access to all GVB Japan Resona Accounts (Savings and Checking). This includes setting up online banking access to the GVB Japan Credit Card account. This authorization also includes exploring necessary steps to possibly adding a non-resident signatory to the bank accounts and engaging the local CPA firm to explore available options.

Motion revised by Director Shinohara, seconded by Director Ada, to allow the Director of Finance access to all bank accounts owned and operated by GVB. Revised motion approved.

Background: Currently, Marketing Manager Mr. Kaneko Hiroshi is the authorized signatory on all GVB Japan Resona accounts. A secondary or alternate individual is recommended to access these accounts as an additional layer of internal control in the bureau's best interest. The authorized individual will be able to extract real-time data of accounts maintained in Japan while maintaining security.

Issue: Board approval requested.

Questions & Comments:

- Director Nelson-Cepeda questioned whether the Director of Finance could make sole transactions. Director Shinohara clarified that sole inquires could be made; however individual transactions are not allowed.

VIII. REPORT OF THE BOARD COMMITTEES

- Marketing managers to schedule a committee meeting date and time to brief newly assigned Chairpersons and Vice-Chairs before the next board meeting
- Informal communication between staff and board directors is encouraged. However, for all new initiatives, Vice President Perez kindly requests that Senior Management be copied on communication for the sake of good order and updates.

A. EXECUTIVE COMMITTEE

- None to report

B. ADMINISTRATION & GOVERNANCE

- None to report

C. DESTINATION MANAGEMENT/VISITOR & SAFETY SATISFACTION

- None to report

D. CULTURAL HERITAGE, COMMUNITY OUTREACH & BRANDING / MEMBERSHIP

- None to report

E. RESEARCH

- None to report

F. SPORTS & EVENTS

- None to report

G. AIR SERVICE DEVELOPMENT

Committee Minutes dated February 3, 2021

- None to report

H. JAPAN

- None to report

I. KOREA

- None to report

EXHIBIT B

J. GREATER CHINA

- None to report

IX. OLD BUSINESS

- None to report

X. NEW BUSINESS

- Director Shinohara shared his comments on Guam's reopening
 - No quarantine resolution
 - No visitor arrivals with the surety of current quarantine measures
 - We need to work toward being ready for Guam's reopening and visitor traffic
 - Ongoing positive trends include: Governor LG declared PCOR 3, reopening bars and restaurants, expanding capacity, etc.
 - The goal should be to ensure that we are ready for the first set of visitors as soon as they enter the island
- Chairman Morinaga encouraged positive messages to be sent to source markets, informing them of Guam's ability to gain control over the COVID situation and provide visitors the reassurance of Guam being a safe destination to enjoy.

XI. EXECUTIVE SESSION

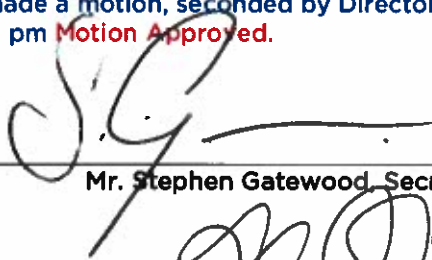
XII. ANNOUNCEMENTS

Upcoming Board Meetings:

- March 11, 2021
- March 25, 2021

XIII. ADJOURNMENT

Director Ada made a motion, seconded by Director Shinohara, to adjourn the Board of Directors regular board meeting at 2:21 pm **Motion Approved.**



Mr. Stephen Gatewood, Secretary of the Board of Directors



Board Minutes respectively submitted by Valerie Sablan, Executive Secretary