



REGULAR BOARD OF DIRECTORS MEETING MINUTES

Thursday, March 11, 2021, at 1:30 p.m.

GVB Conference Room and Teleconference - GoToMeeting

<https://www.gotomeet.me/GUAMVISITORSBUREAU/board-meeting-3112021>

I. CALL TO ORDER

- A quorum being present, Chairman Morinaga called the Board's regular meeting to order at 1:31 pm.

II. ROLL CALL

III. MINUTES OF THE PREVIOUS MEETING

EXHIBIT A

Vice-Chairman Shimizu made a motion, seconded by Director Cepeda, to approve the minutes of the previous Board of Directors meeting dated February 25, 2021, subject to minor corrections. **Motion Approved.**

IV. CHAIRMAN'S REPORT

Meeting with TECO

- Chairman Morinaga and President & CEO Gutierrez met with TECO
 - Proactive to open tourism to Guam
 - Working closely with GVB and Governor's office relevant to Trade missions and Governor LG's visit to Taiwan later this year
 - According to TECO, the last quarter of this year looks promising for Taiwanese people to travel to Guam

Meeting Korean Consul General

- Chairman Morinaga, President & CEO Gutierrez, and Director Ho Eun met with the Korean Consul General
- Mr. Eun shared details at the time of his report

Meeting Japan Consul General

- Director Shinohara reached out to the Japan Consul General and shared details at the time of his report

Japan Updates

- Working diligently to vaccinate their people
- Major sponsors are the only audience allowed to attend the Olympic games

Guam Updates

- Governor LG declares PCOR 3

Ethics Training

- Scheduled for March 17 & 19

V. PRESIDENT & CEO'S REPORT

GVB to Receive Federal Funds

- Guam to receive \$661M federal relief package
- GVB was not eligible to receive federal funds due to restrictions of 5016 (c) in the past
- Congressman San Nicolas assured Governor LG that she is not prohibited from providing federal funds to GVB for aggressive marketing efforts when our tourism industry opens.
- Congress passed the bill on March 10, 2021
- Governor LG committed to provide \$20M to GVB

Matapang Beach Upgrade

- Guam Fire Department to be housed in the vicinity
- Discussed with Governor LG the importance to move forward with Matapang
 - May take 1-2 years due to the lengthy EDA grant process
 - Requested she consider setting aside \$18M of \$661M to start the project
 - Suggested to channel the EDA to another project that is not as urgent

Permitting on Guam & Economic Development

- Governor LG appointed President & CEO Gutierrez as Czar of permitting
- Once tourism opens, a push will arise for economic development
- The process of obtaining permits on Guam on time hindered development on Guam
- Bill 14-36 relative to fast-tracking Guam Land Use Commission Conditional use applications for temporary workforce housing facilities during any pandemic conditions of readiness passed into law as Bill 36-2
- Applications are available for quantifying certificates, building additional hotel rooms, and room upgrades, providing an incentive to bring higher-paying tourists to Guam
- Working with the Department of Labor to ensure that the Philippine government processes H2 workers promptly to assist in building Guam once again
 - 1500 on island
 - 900 applications pending
 - Expecting 3,000 H2 workers by summer
- Important for Guam's economy and the GVB's extended range plans

VI. VICE PRESIDENT'S REPORT

Great Tohoku Earthquake

- March 11, 2011 anniversary

GovGuam Construction, Licensing, and Permitting Process

- President & CEO appointed as the permitting Czar

Financial Updates

- Full December allotment of \$532,000 received from DOA
- January and February allotments pending
- full allocation received
- FY 2020 Audit completed; awaiting Board acceptance

Hot Bonds, Investors Meetings

- Attended first meeting with Nico Fujikawa on March 11, 2021
- Interested investors: Black Rock, Vanguard, Nuveen, Franklin Templeton, J.P. Morgan, Clinton Investment Mgmt.

GVB Water Issue

- Average \$1,500 - 2,000 monthly bill spiked to \$5,000 in recent months
- Major leak detected deep underground, impacting other lateral lines
- The most cost-effective solution is to reline plumbing and replace faulty pipe
- Re-piping estimate \$20,000; maybe more if more defective waterline issues uncovered

Taiwan News

Taiwan & Palau established a 'travel bubble'

- Palau President Surangel Whipps Jr. visited Taiwan to announce the initiative
- Sterile corridor, fewer restrictions both ways
- Air service:
 - China Airlines 6 flights per week
 - Eva Air 2 flights per week
 - Palau Pacific Airways 8 times per week

TECO Office in Guam Hosts Art Drawing Contest

- In celebration of the 42nd anniversary of the Taiwan Relations Act
- Theme: Guam – Taiwan Timeless Friendship
- Open to students in elementary through college
- GVB is a proud sponsor of the event

Japan 2021 Olympic Games: July 23 – August 8, 2021

- GNOC officials shared that countries from the USA and Mexico could send Basketball, Track and field, Swimming, and Softball athletes to stop over on Guam before the games
- Transit/Stopover 2 weeks or earlier before games, weather acclimatization. (Estimated: Mid July)
- According to Nadine LG, the quality of facilities that were planned for use are not in good standing
- This leaves us with the inability to host athletes traveling to Japan for the Olympic games

Re-Opening Task Force

- Chairman Morinaga appointed Director Shinohara to head the Governor's Re-Opening Task Force
- Major Focus:
 1. To work on COVID-19 Safety measures and vaccinations in the value chain: GVB, GHRA, GIAA, Surgeon Cell (DPHSS – CDC)
 2. Making Guam a quality destination experience (infrastructure, beaches, parks, etc.): GVB, DPW, DPR & Mayors Council
 3. Messaging campaign informs residents and markets about what is being done to provide a COVID-19 safe destination experience: GVB, Consular Corps, Gov's Office

Electronic Declaration Form

- Launching live, March 25th
- Live Demo presented by Research Director, Nico Fujikawa
- Three languages – Japanese, Korean, Traditional Chinese
- Customs form accessible online by phone, tablet, or PC
- Able to open three days before arrival
- Allows local Customs & Quarantine to prepare for more significant spikes in travelers and security reasons
- Five kiosks will be available for the launch for those that do not have access to a device

Questions & Comments:

Director Shinohara commented on the ability to save cost on paper

- Statistical reports can be pulled in real-time

Chairman Morinaga asked about:

the system's backup process

- The form automatically is saved into a cloud server
- Guam Customs & Quarantine server
- GVB server customs server
- Developers working on an offline version, so the kiosk continues to operate regardless of internet issues

Content modifications

- The development team is flexible with modifications; content can be modified as often as needed

Vice President Perez commented on the ideal plan to set up with Customs and the Federal Government

- Identity platform securely guarded by the feds; unable to proceed on a federal scale
- Decided to collaborate with DPHSS
- GVB combined everything possible on the local end

Director Ferguson asked about development cost

- \$250K hardware & development
- \$80K development & software

Director Shinohara asked about the number of kiosks

- Starting with five and expanding to seven

VII. TREASURER'S REPORT

- Mr. Dan Fitzgerald from Deloitte and Touche presented information on GVB's Financial audit

Director Shimizu made a motion, seconded by Director Eun, to accept the GVB FY2020 Audited Financial Report dated March 6, 2021, as presented. Motion Approved.

Background: The original target deadline based on GVB Financial Audit Gantt Chart submitted to the Office of the Public Auditor (OPA) is February 22, 2021. Because of several office shutdowns and in the efforts of following quarantine protocols of some GVB employees who are directly involved in the audit, it was pushed to another two weeks. The final draft was completed on March 6, 2021. GVB management forwarded the report to OPA pending review and release of highlights.

VIII. REPORT OF THE BOARD COMMITTEES

A. EXECUTIVE COMMITTEE

Director Shimizu made a motion, seconded by Director Shinohara, to ratify Executive Committee's approval authorizing GVB senior management the flexibility to re-align spending and commitments from the funding balance separate from the initially proposed market cost recovery breakdown totaling \$2.2 million.

Motion amended by Director Shinohara, seconded by Director Eun, to authorize GVB Senior Management the flexibility to realign spending and commitments to support the needs and strategic initiatives of the Reopening Task Force from the market recovery budget of \$2.2M. Amended Motion Approved.

Background: During the April 16, 2020 board meeting, a \$1M fund committed to CIP was reallocated to market recovery, followed by the board-approved motion on April 30, 2020, on the release of the 50% Rainy Day Fund balance of \$623k. Additional funds were approved by the GVB board on July 23, 2020, amounting to \$1.2M from the savings out of the FY20 allotment after halting the majority of the contract's mid-fiscal year at the height of the pandemic. The original market recovery plans were at \$2.2M, broken down to markets and several recovery efforts. Current funding has a remaining balance of \$2.3M+/- which excludes the remaining 50% rainy day fund balance pending legislative approval.

Issue: Board Approval Required

Questions & Comments:

- Director Ferguson requested that the motion initially presented contain language that allows senior management the ability to deliver a plan to the board for discussion and approval
- Vice President Perez commented on Senior Management's ability to tap into the \$2.2M source for Recovery Task Force efforts and any other upcoming issues that require funding as more to-dos develop
- Nadine Leon Guerrero mentioned that the board approved specific dollar amounts in April and July of 2020 for recovery efforts that included marketing in-country and local incentives. The task force discussed the fluidity and the need to adjust spending depending on current conditions. The original motion solidifies the comment made back then.

Director Shimizu made a motion, seconded by Director Shinohara, to ratify the Executive Committee's approval authorizing the President and Chief Executive Officer as Chief Procurement Officer of GVB to enter into negotiations with the highest-ranking qualified Offeror in response to GVB RFP 2021-003 Communication Services, and if successful, to enter into a contract. Motion Approved.

Background: The Guam Visitors Bureau solicits proposals from professional and experienced communication services companies to help GVB develop an overall strategy for advertising and promotions communicating GVB's core messaging for reopening.

While no industry has gone unaffected by COVID-19, the travel and tourism sector has been on the front lines of the pandemic. As a tourism industry, we want to speak with a unified voice.

Tourism can perform best when the community has a sense of ownership and an identifiable stake in its success. Guam can achieve many of the marketing and destination development and maintenance objectives if the community at large understands and believes that successful tourism benefits all residents. To this end, GVB intends to engage the services of a professional communications services company who will be required to:

- Educate our residents on the specific actions being taken to ensure their safety and security from COVID-19.
- Let our source markets know about the initiatives to ensure that they can have an enjoyable and COVID-19 safe destination experience.
- Educate the public on the benefits of tourism.
- Communicate GVB's core messaging for reopening to the media and public.

The contract shall begin April 1, 2021, through September 30, 2021, for FY2021, with the option to renew for up to two (2) fiscal years, subject to the availability of funds.

Issue: Board Approval Required

Questions & Comments:

- Director Eun requested information on the process, requirement, and budget amount? Communication Services is an active RFP. Data cannot be disclosed at this time.
- Vice President Perez stated that the Communication Services contract would be covered by the \$2.2M.
- Director Shinohara shared GVB's need for assistance and collaboration in pushing forward with re-opening.
- Director Nelson-Cepeda asked whether the board is dismissed from seeing RFP negotiations or contracts. The negotiation process does not allow the board's access or input.
- Director Jones asked if there is a committee that evaluates the proposals. The Chief Procurement Officer, President & CEO Gutierrez will designate an evaluation committee. There is a policy and procedure in place for the procurement evaluation process.

B. ADMINISTRATION & GOVERNANCE

- Nothing to report

C. DESTINATION MANAGEMENT/VISITOR & SAFETY SATISFACTION

- Director Shinohara reported an informal introductory meeting was held with Mayor Paco and the team
- A committee meeting is scheduled for March 22nd
- Would like board directors to take a tour of different tourist landmarks that GVB has already established.
 - March 29th meet at GVB
 - Tour will last the entire morning, possibly until 1:00 p.m.
 - Transportation will be arranged as soon as it is determined how many board members will attend the tour.
 - **ACTION:** Dee & Nakisha to send out invitations

D. CULTURAL HERITAGE, COMMUNITY OUTREACH & BRANDING

- Nothing to report

E. RESEARCH / MEMBERSHIP

Research

- Director Jones reported the Electronic Declaration Form (EDF) completed
- Official EDF launch - March 25, 2021

Membership

- Discussed building membership

F. SPORTS & EVENTS

- Nothing to report
- There is no budget for sporting events
- GVB will be creative in how we can sponsor some sporting events such as golf which brings in high donating sponsors

G. AIR SERVICE DEVELOPMENT

Flights

- UA 196/197 operates 29 times except March 2nd & 3rd
- Other flights suspended until March 31
- JAL Airlines suspended until May 31
- T'way suspended until March 27
- Jeju Air may suspend services until March 27

Tour Package

- Canceled in response to flight cancelations to Guam

Hotel Quarantine

- Upon arrival to Japan remains unchanged

South Korea

- All airlines to Guam suspended except Jin Air and T'way
- Jin Air operates weekly flights March 2, 9, 16, and 23; daily flights anticipated for April
- T'way scheduled to operate daily flights from March 28; booking available on their website, though subject to change

New Airlines

- Greater Bay Airlines filed a flight authorization application
- Route to Guam and Hongkong
- Taking over Cathay Dragon
- In search of used 737 800 series aircrafts
- Once Guam receives this flight, GVB can formulate New Markets
- Figure out plans for them to bring various destinations to Guam

H. JAPAN

- Director Bell reported February's JMC meeting was canceled
- Meeting rescheduled for March 16 via GoToMeeting
- JMC Chairman Orientation held on March 5

I. KOREA

- Director Eun reported a rise in COVID cases
- Government secured vaccines to immunize 79M people
- The vaccination plan is to vaccinate 70% of the population by the 3rd quarter and achieve herd immunity by November
- Gathering of ten or more people are banned until March 14
- 4K travel agencies are going out of business
- Next KMC Meeting scheduled for March 16th

J. TAIWAN

- Chairman Morinaga does not believe that Taiwan will allow visits until all or a considerable percentage of their population are vaccinated
- The target date is Fall of 2021

K. NEW MARKETS

- Nothing to report

L. NORTH AMERICA, PACIFIC & PHILIPPINES

Philippines

- Director Jones reported GVB Philippines hosted a well-attended webinar; Tourism Outlook, on February 24th
 - 174 individuals attended
 - Two additional webinars planned for this year

Pacific Markets

- Most events are virtual

PATA

- Why Tourism Does Need an Education - March 18th
- Virtual Annual Summit - April 27-29

Guam

- Taotao Guahan to showcase the culture of our island to the Military - March 13 at AAFB
 - GVB will have a table display with information about Guam

Comments & Questions:

- Chairman Morinaga stated that Guam would see more DOD agents based upon the rising tension in the Pacific. It would be an excellent opportunity to offer them optional tour packages to entice them to leave the base and experience Guam, its sights, beauty, and leisurely activities
- Based on the fluidity of tourism, businesses need to secure their revenue by creating packages and deals that would entice the military and local community

M. REOPENING TASK FORCE

Meeting with Governor LG

- Director Shinohara met with Governor LG on March 10th
 - She is very involved, supportive and expressed interest in the details behind the ongoing work
 - A date has not been set for re-opening
 - The Taskforce is working as if opening up tomorrow

Vaccinations

- Working closely with DPHSS to get approval to start vaccinating industry workers
- Securing census data and consolidating information for the workforce for submission to DPHSS for final consideration

Destination Preparations

- Working to ensure GIAA's process is seamless
- Electronic Declaration Form
- Trying to get health declaration for digitized

COVID testing

- Anyone returning to their port of origin will be required to get a PCR test
- There is a desire to create a facility to facilitate PCR testing
 - Plan to find resources to support this effort as we reboot the industry initially
 - Funding is a challenge
- Reaching out to businesses across the industry to understand their state of readiness will help to know our sales proposal in the first month of opening
- Creation of communications plan and the effort to consolidate all information into that plan

- Ensuring the people of Guam understand how and why we're pushing things forward in a safe manner
- GVB is coordinating activities with the Governor's office, DPHSS, Surgeon Cell, and GIAA
- Next Task Force meeting - March 12th
- Met with Japan consul
 - Requested their assistance to alter quarantine requirements on returns home
 - Important for Guam to consolidate all efforts and take the proper steps in re-opening
 - How Guam reopens will be the basis for whether change will occur or not
- Islandwide clean up targeted for April 17th or 24th
- Date to be finalized

IX. OLD BUSINESS

- No Old Business

X. NEW BUSINESS

- No New Business

XI. EXECUTIVE SESSION

- No Executive Session

XII. ANNOUNCEMENTS

Upcoming Board Meetings:

- March 25, 2021
- April 8, 2021

XIII. ADJOURNMENT

Director Shinohara made a motion, seconded by Director Eun, to adjourn the Board of Directors regular board meeting at 3:13 p.m. **Motion Approved.**



Mr. Stephen Gatewood, Secretary of the Board of Directors



Board Minutes respectively submitted by Valerie Sablan, Executive Secretary