



REGULAR BOARD OF DIRECTORS MEETING

Thursday, April 22, 2021, at 1:30 p.m.

GVB Conference Room and Teleconference - GoToMeeting

<https://www.gotomeet.me/GUAMVISITORSBUREAU/regular-board-meeting42221>

I. CALL TO ORDER

- A quorum being present, Chairman Morinaga called the Board's regular meeting to order at 1:32 p.m.

II. ROLL CALL

Online: Derrick Quinata, Jeff Jones, Sonny Ada, Laura Nelson-Cepeda

In-Person: Milton Morinaga, Paul Shimizu, Rudy Paco, Flori-Anne Dela Cruz, Ho S. Eun, Ben Ferguson

Absent: Charles Bell

III. MINUTES OF THE PREVIOUS MEETING

EXHIBIT A

Director Eun made a motion, seconded by Vice-Chairman Shimizu, to approve the minutes of the previous Board of Directors meeting dated April 08, 2021, subject to minor corrections. Motion Approved.

IV. CHAIRMAN'S REPORT

- Chairman Morinaga reported the team is working hard to meet Governor LG's reopening on May 01
- Positive COVID spike; encouraged others to get vaccinated and stay safe

V. MANAGEMENT'S REPORT

- Management Reported

Taiwan News

TECO Meetings

- Guam, April 23, 2021
- Taiwan government officials
- Discuss Guam "Trusted Testing Partners" program like Hawaii
- Agree on path forward with Guam Public Health

Electronic Declaration Form

- EDF System continues its testing with United Flight-197 from NRT on Mon, Wed, Fri.
- Mobile site testing started the week of April 19, 2021
 - Targeting specific flights for controlled roll out before opening link
 - QR code email feature and system
- As of April 12, 2021 system continues to run efficiently, with the average processing time per passenger estimated around 10-12mins.
 - 5 mins kiosks
 - 5-8 mins Public Health
 - 1-2 mins Guam Customs
- Mobile site anticipated to improve queues and processing times further.

Financial Report

GVB Financial Update 60% into FY 2021 \$6.4 Million Operational Budget

- Rates of Expenditure in Admin 54% Marketing 43%
- Sports Events and Cultural Heritage 01% (forecast 60% by June if Tennis Tournament materializes)
- Visitor Safety & Satisfaction 42%
- Destination Development 34%
 - aided significantly once details are worked out with DPW; 100K credit for covert cleaning
 - expecting funding from GEDA for street light improvement
- Total GVB 55%

Matapang Beach Park Project Update

- Funding assured, Governor LG to discuss details with LT Tenorio
- Two possible sources: From \$600 million COVID relief or separate federal infrastructure funding
- GVB meet on April 21 with GFD, Parks & Rec, DPW, and A&E reps
- New plans prepared to brief Governor LG
- Met with GFD to identify the location for the new firehouse

Local Patronage, Guam Beaches, and Parks

- Intensified progressively during COVID-19
- Thousands of residents and hundreds of parked cars now normal, on weekends especially, Matapang and Joseph Flores Beach Parks
- Not enough shelters and pavilions, private tents are set up
- There is a need to step up maintenance and law enforcement presence
- Vandalism and abusive intoxicated behavior is starting to get out of hand
- Patron confrontations are increasing with VSOs who are not contracted or trained to handle
- Need more responsive law enforcement involvement
- Director Shinohara reminded the Board that VSO coverage was reduced since COVID began; suggested that Management reconsider and shift resources to reinstate coverage
- GVB plans to address these issues with GPD, Tumon precinct
- Director Ferguson pointed out that alcohol prohibition has never been enforced in the parks

Governor's Tourism Recovery Task Force

SCALING UP INDUSTRY VACCINATION

- **65,471** of eligible residents completed 1st dose (**52%**) and **46,918** 2nd dose (**38%**) as of April 19
- Support Governor's *Path to Half* vaccination by May 01
- GHRA, GRMC, AMC and GVB are collaborating to organize another clinic to continue the process for industry workers
- Guam is doing well with the vaccination program

SOURCE MARKET VACCINE DISTRIBUTION

- Korea (our main market) – about 3% (1.64 million) have been vaccinated
- Japan – 1.2% (1.28 million)
- Taiwan (less cases) – 0.14% (32,389)
- Given that Korea and Japan are Guam's largest drivers of arrivals, Chairman Morinaga and Vice President Perez spoke about having a deeper discussion in what could be done to encourage a more favorable reciprocal process when customers return to their homeland; a large factor to consider as we work to open up the island for tourism
- An issue top of mind is the ability to offer affordable outbound testing or arranging a 3rd party vendor to administer the service as an incentive to market our destination

Preparing the Destination

- IBTF and GVB partnered on island-wide cleanup and beautification; Earth Week culmination, April 24
- Government agencies, mayors, community volunteers and non-profit group; focus on most visible roadways, parks, and beaches

PIC CLEANUP, April 13

- Employees volunteer their time to do their part to prepare for May 1st opening date

Umatac Mayor's Office, April 19

- Umatac Mayor Quinata and staff cut the overgrown vegetation along the guard rails, enhancing Guam's beauty

Mongmong-Toto-Maite Mayor's Office

- Director Rudy Paco and staff cleaning up Route 8. Trashed a day after clean up.
- Director Rudy Paco and staff water blasting retaining wall and painting medians, crosswalks & power poles on Route 8

USS Frank Cable & USS Emory S. Land - April 22

- Navy personnel cleaning up at Ypao Park

Atkins Kroll Toyota & Village Mayor Campaign

- Used car battery clean up
- Restore our earth's theme, Earth Day

AK to pay \$10 for each used/discarded battery

- Collection points and dates, villages
 - Central May 25
 - Southern May 26
 - Northern May 27

Judiciary of Guam

- Tutujan Triangle
- Angel Santos Park

- Met with Glimpses and Governor's office to coordinate collaborating process that will ensure timely and unified message to local residents and source markets, delivery channels by target audience

Messaging and Communications Strategy

In-house GVB Vloggers

- Two of six episodes rolled out while waiting for Communications Vendor (Glimpses)

RFP LANGUAGE ASSISTANCE PROGRAM

- Japanese, Korean, Chinese language
- RFP acceptance closed Wednesday, April 21
- Evaluation and selection - Friday, April 23
- Contract award first week in May

Questions & Comments:

Keeping Guam Clean

- Director Ada questioned why we must continuously have volunteers clean our island
 - There is a need to create greater awareness in the minds of people
 - Understanding the value of tourism and the need to keep Guam clean
 - Suggested communication with Hawaii; request information on the process of keeping their island clean
- Director Quinata pointed out the high expense to dispose of trash on Guam
 - Governor LG is using funds from the Recovery Act to identify and pay for tipping fees
 - Every household on the island will have a paid trash bin to discard their rubbish
- In response to the query, Director Quinata pointed out that trash disposal is costly in Guam. He voiced that Governor LG seems to have figured that out. As we prepare to open Guam, she is using some
- Chairman Morinaga supported Director Ada's concern and felt that it was an educational issue.

- Director Shinohara suggested that the Destination Committee create an action plan to tackle the issue of awareness, the value of tourism, and the importance of keeping our island clean.
 - Vice President Perez expressed the need to conduct more research to gain more understanding before allocating funds to create an action plan
 - Director Paco suggested speaking to senators about passing a bill
 - impound vehicles that illegally dump
 - vehicles to serve the community. Enforce the law by giving those who break it consequences to their actions.
 - Director Gatewood suggested consistent reminders of keeping Guam clean through GVB's cost-effective Vlog.

VI. TREASURER'S REPORT

- Director Shinohara informed those in attendance that the budget will be presented to the Board at a later date after updates are made.

VII. REPORT OF THE BOARD COMMITTEES

A. EXECUTIVE COMMITTEE

- Nothing to report

B. ADMINISTRATION & GOVERNMENT

- Nothing to report

C. REOPENING TASK FORCE

- Director Shinohara pointed out that Vice President Perez covered the bulk of reporting
- Director Ferguson reported that they are still in search of ways to fund COVID testing for returning visitors
 - A great incentive that could set Guam apart from other destinations
 - There is broad support of the idea to fund some testing for returning visitors amongst industry folks for some time
 - Funding is an issue; opened up discussion on ways to fund testing
 - Director Shinohara had his team in Japan reach out to large tour consolidators to determine what Guam could do to make a difference. In response, an overwhelming request was made for Guam to fund testing for returning visitors
 - Expressed the need to attract visitors to Guam
 - Suggested creative ways to free up GVB funds to pay for some of the testing
 - Request financial support from Governor LG, who indicated there is \$700M in federal funds
 - Director Jones agreed it would be a great way to jump-start our tourism and distinguish us from other markets that are attempting to do the same

Director Ada made a motion, seconded by Director Shinohara, GVB to pursue and provide financial support to test tourists returning to their home country, subject to the availability of funds. Motion tabled by Chairman Morinaga.

Director Ada withdrew the motion, seconded by Director Shinohara, during the continuation of the Board meeting on April 29, 2021. Motion withdrawn.

Questions & Comments:

- Director Eun commented that other countries are not pursuing this
 - Research is needed to gain more details on marketing visitor demographics to project revenue and make a better decision

- There should be a cap on the funds allocated to prevent overspending of Government funds
 - stated that the process in how Marketing spends current funds requires revision. It is a board issue; when the Board decides to approve the budget, the Board must justify why they're consenting to those funds. Believed there should be explanations by experts who understand marketing and its benefits.
 - Whether tourist come to Guam for a short or long-term visit, we want it to be profitable
 - Important the Board understands the cost and benefit analysis before making any decisions
- Director Shinohara pointed out that the first batch of customers is the most important, and the funds should be spent for this initial opportunity.
 - Would like to find a way to fund 50K - 100K visitors who can enjoy Guam and return to their homeland, promoting our island to others
 - Most considerable challenge is quarantine, followed by COVID testing cost
 - Voiced the need to generate interest in the island - Message: Guam is a safe place. We're going to pay for your test on the return home
- Chairman Morinaga considers the opportunity to vaccinate a limited campaign
 - Our source markets, Japan and Korea, are still facing a COVID crisis; only a few will visit
 - Stated that tourists have a choice, and Guam should be at the frontline of choices
 - Is ok with the idea if a number is set for the limited time offer
- Director Shinohara is looking for an incentive to make Guam attractive to visitors, whether testing, a travel card, or cash to spend on Guam.
 - Seeking something creative that others have not considered or implemented
- Director Quinata asked what it would take for the Korean government to allow returning citizens coming from Guam back into the country without quarantine
 - According to Director Eun, citizens must have a 72-hour PCR test. If not, you'd be sent to a government facility to quarantine;
 - A 72-hour PCR test allows you to go home. You will have to download a reporting system app and move around every hour for the Korean government tracking system.
 - Supports the motion if source market governments allow their citizens to return home and avoid quarantine with a PCR test.
 - Director Eun mentioned that everyone is subject to quarantine except for government issues or family tragedy
 - Director Shinohara added that the baseline requirement is to have been COVID tested to return to a country
- Director Cepeda believed that Director Eun was not against PCR testing. She summarized his question as to whether it was cost-effective for our government to pay for the cost of PCR tests for tourists. Coming up with better incentive programs or providing a streamlined way for tourists to obtain a PCR test from what is available today could save the government \$10M.
 - Director Eun added that those funds could be used to hire police officers, VSO vehicles, CCTVs for tracking criminal activity.
- Director Quinata mentioned that Governor LG has over 80K test kits and suggested we ask for 20K as a trial period instead of spending \$10M, hoping that this incentive may work.
 - In response, Director Shinohara explained that we were told that we could not use Public Health's inventory for testing visitors returning to their home country early on in the Task Force.

VIII. EXECUTIVE SESSION

Chairman Morinaga made a motion, seconded by Director Shinohara, to enter into Executive Session at 2:58 p.m. **Motion Approved.**

Chairman Morinaga called the Regular Meeting of the Board of Directors back to the session at 4:17 p.m.

D. AIR SERVICE DEVELOPMENT

- Chairman Morinaga reported there are no drastic changes in airline activity.
- Most tour packages have been canceled until May 31; Jalpak canceled until June 30
- No changes in South Korea. All flights from Korea to Guam suspended except for Jin Air
 - Weekly flight continued for April

E. DESTINATION MANAGEMENT/VISITOR & SAFETY SATISFACTION

- Report covered by Management

F. CULTURAL HERITAGE, COMMUNITY OUTREACH & BRANDING

- No updates

G. RESEARCH / MEMBERSHIP

- Report covered by Management; nothing new to report

H. SPORTS & EVENTS

- Nothing new to report
- Chairman Morinaga shared updated news - Cluster found from a basketball event. Vice-Chair Shimizu clarified that it was a family basketball game at a private residence, and a cluster was also found at a karaoke bar.

I. JAPAN

- Vice-Chairman Shimizu reported 678,405 were fully vaccinated as of April 25, 2021, a very low amount.
- Coronavirus pre-emergency measures being taken in Miyagi, Osaka, and Hyogo, followed by Tokyo, Kyoto, and Okinawa prefectures.
- Chairman Morinaga shared that Japan confirmed that they would receive 50 million Pfizer vaccines by September

J. KOREA

- The government came up with a vaccine passport based on blockchain technology and the use of QR code
- The Korean government began compensation of a vaccine swap with the US government
 - Initially, the Korean government committed and covered more than 12M by the second quarter of 2021
- Ministry of Land, Infrastructure and Transport is willing to talk to GVB Korea
 - Need to provide points for Governor's approval (ex: Can those vaccinated be accepted here on Guam)
 - Need to have a consensus to start on the working level
 - Once a certain level is reached, the Governor can send an official letter to the Korean government
 - Requires a timeline
- Vice President Perez noted certain issues need to be addressed and resolved regarding testing:

- o information as it relates to individual hotels' capability as opposed to the most centralized facility
- o information Mr. Eun can incorporate for communication

K. TAIWAN

EXHIBIT B

Committee Minutes dated April 9, 2021

- Chairman Morinaga reported Crew members of Taiwanese airlines who are fully vaccinated against COVID-19 would be exempted from quarantine upon returning to Taiwan
- Moderna vaccines to arrive in May
 - o Taiwan ordered 5M doses

L. NEW MARKETS

- Nothing to report

M. NORTH AMERICA, PACIFIC & PHILIPPINES

- None to report
- Director Shinohara reminded Chairman Morinaga about the motion to pursue and provide financial support to test tourists returning to their home country.
 - o It was determined that the task force could work on the analytic to put forward the business case and present it to the Board as suggested by Director Eun.

IX. OLD BUSINESS

- No Old Business

X. NEW BUSINESS

- No New Business

XI. ADJOURNMENT

Chairman Shinohara made a motion, seconded by Director Dela Cruz, to recess the regular board meeting until Thursday, April 29 at 1:30 p.m. **Motion approved.**

**REGULAR BOARD OF DIRECTORS MEETING MINUTES (RECONVENE)
Thursday, April 29, 2021, at 1:30 p.m.**

I. CALL TO ORDER

- A quorum being present, Chairman Morinaga called the meeting back to order at 1:31 p.m.

II. REOPENING TASK FORCE

- The Board continued discussion on COVID testing for visitors returning to their home country
- Management provided a full review to the Board

III. MANAGEMENT'S PRESENTATION

Discussion on Pre-testing Program

Motion tabled before last week's board meeting

For Consideration

Divided opinion among the markets

Need clear direction for policy decision moving forward

Management recommendation - Option 3 or option 4 with GIAA approval to conduct pre-testing upon arrival

PREPARING THE DESTINATION

PCR TESTING OPTIONS

- Available cash: \$5.9 million
- Net of projected expenses to September 30, 2021
 - \$2M currently allocated for Matapang Beach CIP upgrade
 - \$2.9M flood mitigation, lighting improvement, and maintenance
 - \$1M market recovery and operational savings - Sam \$2.9 Market recovery noted on March

Basic Assumptions:

- Spending 60% of 2019 benchmark due to 40% shrinkage in the value chain
- Korea 80% | Japan 10% | Taiwan & other 10%
- TAF receipts 26.40/person based on an ADR of \$120 for a four day stay
- Airlift B-737 and Airbus 320 (135 -150 seats) at 70% load factor
- PCR tests estimated at \$200 based on market feedback

OPTION 1: (PCR TESTING)

- Investment \$5.0 MILLION
- Estimated pax assumption 25,000
- Korea 80% | Japan 10% | Taiwan & other 10%
- Estimate 255 flights
- Total on-island spending (2019 benchmark by market) = \$9.0 million
- TAF Receipts (26.40 @ 4-day stay) \$660,000
- Estimated total yield (return) - \$4.7 Million (local spending)

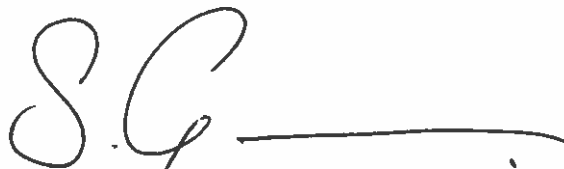
Discussion

- Director Eun outlined his rationale with the following points:
 - 1) the Korean government will not impose quarantine measures on fully vaccinated residents returning from overseas travel beginning May 5th
 - The government does not impose PCR test on those returning residents who travel abroad; therefore, vaccinations administered in foreign countries are useless to outbound Korean travelers
 - Believes volume of travelers from Japan and Korea to Guam will be very minimal
 - 2) Governor's office strongly considering setting aside 20K test kits
 - It has not been determined whether it will be given freely or deducted from GVB's \$27M budget
 - Should this incentive attract Japanese travelers to Guam, there are three components to consider; testing venue, materials/kits, and labor
 - Could DPHSS provide labor?
 - Better to pay per hour rather than per case
 - 3) The Japanese government has not offered the option to lift quarantine measures to resident travelers who are fully vaccinated
- According to Chairman Morinaga, Japan's key mission is to get everyone fully vaccinated
 - Two issues: not enough laborers to administer the vaccinations, and Pfizer just committed a certain amount to Japan, though not enough
 - Focus is inoculating areas with the highest spikes; Tokyo and Osaka
 - Japan's foremost priority is to boost its economy and have residents spend domestically
 - Those who have money will travel

- would rather see how we could vaccinate US citizens in our source markets
- Director Shinohara shared the Task Force discussed the possibility that Governor LG can convince Washington DC to provide federal funds for vaccinations to be used on American ex-pats
- Resources spent on vaccination guarantees Guam incremental customers and a marketing platform
- Director Quinata concerned about the amount of money to be spent on test kits for tourist returning to their home country
 - Guam has a stockpile of test kits sitting in clinics across the island
 - Governor LG allotted DPHSS funding for the clinics to test; open purchase order
 - Suggested an MOU between clinic and DPHSS to test visitors at GIAA with readily available test kits instead of spending funds on additional PCR tests
- Director Shinohara asked and was told by DPHSS that the test kits provided by the federal government were only to be used for residents and US citizens; cannot be used for foreigners
- Director Gatewood shared points to consider
 - The threshold for adult vaccinations - 16 years and above
 - Korean visitors will come with their families
 - May include children below 16 who will require PCR testing on their return home
 - Should still have options; not everyone can be fully vaccinated in the family
- Vice-President Perez expressed finding a way to bring ex-pats to Guam will be beneficial
 - Vaccination, hotel, airline issues
 - Director Ferguson pointed out that those with a US passport entering Guam from a foreign country can get vaccinated
- Director Ferguson stated there will always be a need to test visitors
- Chairman Morinaga suggested two things:
 - Research be conducted on costs for private PCR testing paid by the federal government
 - Explore options for US citizens residing in foreign countries to get vaccinated on Guam
- Director Shinohara presented a Return on Investment Analysis
- After presentations and much debate, Chairman Morinaga decided to cease the pursuit of the pre-testing program until more research is available

XII. ADJOURNMENT

Vice-Chairman made a motion, seconded by Director Quinata, to adjourn the Board of Directors regular board meeting at 2:35 p.m. **Motion Approved.**



Mr. Stephen Gatewood, Secretary of the Board of Directors



Board Minutes respectively submitted by Valerie Sablan, Executive Secretary