



REGULAR BOARD OF DIRECTORS MEETING MINUTES

Thursday, August 26, 2021, at 1:30 p.m.

GVB Conference Room and Teleconference - GoToMeeting

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

I. CALL TO ORDER

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

II. ROLL CALL

In-Person: Milton Morinaga, Paul Shimizu, Sonny Ada, Ho Eun, Derrick Quinata, Ben Ferguson, Charles Bell, Jeff Jones, Sam Shinohara, Rudy Paco

Online: Flori-Ann Dela Cruz, Laura Cepeda

Absent: Steve Gatewood

III. MINUTES OF THE PREVIOUS MEETING

EXHIBIT A

Vice-Chairman Shimizu made a motion, seconded by Director Jones, to approve the previous Board of Directors meeting minutes dated August 12, 2021, subject to minor corrections. Motion Approved.

IV. CHAIRMAN'S REPORT

Vice-Chairman Shimizu asked everyone in attendance to give a moment of silence for those who have passed from COVID.

Chairman Morninaga reported the following:

- Governor Leon Guerrero released an Executive Order
 - Encouraged everyone to follow the executive order and safety protocols
 - Announcement of social gathering to follow
- Thanked Taiwan government for sending their basketball Olympians to Guam; an excellent way to open tourism between Taiwan and Guam

V. MANAGEMENT'S REPORT

Vice President Perez reported the following:

- Former Board Chairman Jimmy Dee, an active participant in Guam's tourism promotion, passed away a few days ago.

FY 2021

- January to August showed a bit of improvement
- August showed a significant improvement, primarily driven by the Air V&V Program from Taiwan, several Military exercises, and a scattering of Air V&V FITs (unaccounted for)

Guam Vaccination

GUAM VACCINATION

#vaccinateGU

PROTECT YOURSELF
PROTECT THE ONES YOU LOVE
PROTECT THE COMMUNITY

AS OF AUGUST 23, 2021

107,509

79.84% OF OUR ELIGIBLE POPULATION -
AGES 12 YEARS & OLDER - ARE FULLY IMMUNIZED

COVID-19 VACCINES ARE FREE
GET YOURS HERE

AUGUST 24 - 28: 11AM - 6PM
PROGRESSIVE HALL SECOND FLOOR (CENTRAL COVID)

AUGUST 24 - 25: 9AM - 12PM
DRYNESS AND THIRST JARDON COMMUNITY HEALTH CENTER, BANGSAWEN

AUGUST 27: 1PM - 4PM
DRYNESS NORTHERN REGION COMMUNITY HEALTH CENTER, DEDEDO

AUGUST 28: 9AM - 1PM
DRIVE-THROUGH CLINIC - UNIVERSITY OF GUAM, HANGILAO
PARKING LOT ACROSS SCHOOL OF BUSINESS & PUBLIC ADMIN.

GUAM COVID-19 UPDATE

JIC Release No. 782 Supplemental - Data as of August 22, 2021 8/25

COVID AREA RISK (CAR) SCORE: 18.2 → 23.4

CASE COUNT	TOTAL	REPORTED TODAY	PAST 7 DAYS
COVID-19 CASES	9,812	136	831
CONFIRMED	9,783	116	803
PROBABLE	29	11	28

TESTING	TOTAL	TODAY	7-DAY % POSITIVE
DRAGPUS/IC	307,388	1,214	8.4%
MOLECULAR	192,891	1,176	6.1%
ANTIGEN	18,276	36	34.5%
SEROLOGY	200	0	48.0%

STATUS	TOTAL	ISOLATION LOCATION	TOTAL
COVID-19 Suspect	448	Hospital	27
Active Isolation	806	Home	614
Not in Isolation	8,001	Isolation Facility	78
Civilian	8,000	Military	96
Military	96		

GENUS	Guam	GRWC	US/MI	TOTAL
COVID ADMISSION	13	12	2	27
IN ICU	3	2	1	6
ON VENTILATOR	0	1	1	2

Age Group	1st Group	2nd Group	Fully Immunized
Phase 1/2/3/4/5/6	57,698	61,882	81,882
Moldavia	31,422	29,962	29,962
Johnson & Johnson/Janssen	-	-	4,876
Department of Defense	-	-	16,000
Guam National Guard	-	-	741
TOTALS	96,430	91,844	187,509 (79.12%)

8/25
107,838
(79.12%)

Japan Vaccination Certificate

Good News for Guam

- Official Proof of COVID-19 vaccination
- Issued only by the municipality which individuals are resident of by Japan Vaccination Law

What information is included?

- Personal identification info & passport number
- Date and type of vaccine received
- Counterfeit protection info
- In Japanese & English
- Approved document for International Travel
- More than 50 countries & destinations
- U.S. (Guam and CNMI only)

Information Included:

- Personal identification info & passport number
- Date and type of vaccine received
- Counterfeit protection info
- In Japanese & English

Approved document for International Travel:

- More than 50 countries & destinations
- U.S. (Guam and CNMI only)

Approved countries and regions:

United States (the Northern Mariana Islands and Guam only), Italy, Ecuador, Estonia, Austria, Sri Lanka, Slovakia, Saint Kitts, and Nevis, Saint Vincent and the Grenadines, Thailand (Phuket, Koh Samui, Koh Phangan, Koh Tao only), Germany, Turkey, Papua New Guinea, Palau, France, Bulgaria, Belize, Poland, Hong Kong, Honduras, Lithuania

Chinese Taipei Basketball Team

- Representatives from GVB, GIAA, TECO, and the Guam Basketball Confederation welcomed 25 basketball players on; August 23, 2021
- The Taiwan Sports Administration Ministry of Education organized the charter flight with China Airlines to transport the team for the FIBA Asia Cup Qualification basketball games
- FIBA Asia Cup Basketball Game: 8/26-8/28, University of Guam Calvo Fieldhouse; not open to spectators but will be streamed online

Taiwan Air V&V Program

- The last Taiwan charter Lion-Eva Air was Aug 22
- Total pax Lion and Phoenix 1,758
- Currently in discussion for 19 charters September to January 1st
- Need management flexibility not to exceed total approved \$1.6 M
- Lion to start pushing online V&V sales also in Korea

Indonesia another possible V&V opportunity

- Entertaining inquiry by a large industrial conglomerate with charter access
- Currently vaccinating employees and clients in U.S. mainland
- Motivated by 1) Slow vaccination uptake 2) Closer proximity to Guam 3) Time and cost savings 4) Expanding middle east S A operation require U.S. vaccines Pfizer, Janssen, and Moderna
- Can do daily B737 flights from three hubs Jakarta, Surabaya, and Makassar
- U.S. Visa issuance volume is still an issue
- Key Contact Mr. Erwin Aksa, VP, and Director, Bosowa Corporation, a privately held conglomerate based in Sulawesi
- Diversified business interests in cement, automotive, power plant, property, financial services, natural resources, and infrastructure (corroborated Bloomberg report)

Destination Management

Property Damage Claims

- Roadside accidents, landscape and hardscape repairs, signage, and lighting
- GVB filed Insurance claims for restoration and repairs not timely
- Will now be handled through the GVB insurance broker, added value service, expenditure of 3rd party claims not mired down by government procurement issues

Comments & Discussion

- Director Shinohara asked if repairs could be fixed immediately, figure out debt collection later without going through an insurance broker. Vice President Perez mentioned that it currently is the practice. However, with the insurance broker, the issue could be dealt with directly
 - GVB will not have to expend resources and be entrapped by government procurement processes
- GVB does not have an insurable interest in public rights of way; DPW has an insurable interest
 - MOU developed between DPW and GVB to allow GVB to handle such issues
- Improvement expected by having a broker take care of everything

Marine Tour Guide Certification

- New testing and credentialing course
- Augmentation of current land-based tour guide certification program
- Total 38 enrollees registered and 11 ready to take the exam

Questions & Discussions

- Director Bell inquired about Japan's vaccine passport
 - Do travelers have to quarantine upon returning to Japan?

- Travelers with a vaccine passport do not need to quarantine in Guam; however, full quarantine is required upon returning to Japan
- Returning travelers are required to download three different apps for tracking and monitoring
- CDC requires all travelers from any foreign destination regardless of status to provide a negative COVID test.
- Transiting does not apply to this requirement, as long as the transition is within 24 hrs.

VI. TREASURER'S REPORT

EXHIBIT B

Director of Finance Josie Villanueva reported the following:

TAF Budget vs. Actual Projection/GVB Fund

- According to BBMR's website, FY2021 TAF Budget is \$17.8M
- \$9.6M of the TAF was collected as of July 31, 2021,
- DOA has released GVB's allotment as of July; about 55% or \$5M of the TAF's report was collected to date

Background of the \$24,999 Disbursement Approval Threshold

- Director Jones inquired about the history of the \$24,999 disbursement approval threshold on July 22, 2021
 - Background information & public references were sent via email to Board directors on August 2, 2021
 - Current status: GVB made a request with Senator San Agustin's office inquiring a reconsideration to revisit the public law as it is written and to eliminate the word "such"; this word can be interpreted as redundancy to the approval process

Actual & Budget as of July 31, 2021

- Is \$6.3M
- Expenses tracked at \$5M as of August 23, 2021
- \$1M non-operating expenses relevant to CIP projects & Marketing Recovery

Comments & Discussion

- Director Shinohara inquired whether the \$1.8M balance would be spent
 - It is estimated that the \$1.8M balance will be spent. Although the report was generated on August 23rd, the actual & budget is dated as of July 31, month-end closing.
 - Late invoices were received, and accounting is catching up with payments; the Director of Finance is hopeful to have accurate information in the next few months

Statement & Revenues of Expenditures (Month to Month Performance)

- Average revenue per month \$595K inclusive of additional subsidies relevant to different programs GVB is working towards (Vax n' Win, Liberation Program)
- Significant allotment at \$532K per month
- Expenditures averaged \$575K
- Highlights
 - Spike on Personnel Expenses in July representing adjustments made for leave approval provisions
 - Changes made under Equipment reflecting -\$104K
 - The Electronic Declaration Form's hardware and software has an insurable interest
 - Reclassification made to capitalize on the EDF's insurable interest

Comments & Discussion

- The Director of Finance clarified and confirmed Director Shinohara's inquiry to whether the spike in July was a function of an accounting entry associated with vacation approval.
- Director Ferguson inquired about the significant expense under Miscellaneous.
 - Director of Finance mentioned that the Vax n' Win promotion (vehicles & cash prizes) was close to 300K according to the Government of Guam
 - The majority is non-operating expenses
- Director Shinohara pointed out that 100% of the resources for the Vax n' Win program came from Adelup
 - GVB was a vehicle to facilitate procurement and promote the program

Cash Forecast Recap ending Sept. 30, 2021

Current Bank Balance as of 08/23/21 Trial Balance			\$ 14,923,443
Add:	Receivables from DOA		
	FY2021 Allotment (August21 -Sept21)	\$ 1,064,864	
	Electronic Declaration Form Receivable	\$ 123,245	
	VaxNWin Program	\$ 253,741	
	Liberation Day Program	\$ 22,161	\$ 1,464,011
	Estimated Cash Available up to September 30, 2021		\$ 16,387,453
Less:	Restricted Funds	\$ (392,697)	
	Trade Payables	\$ (529,918)	
	Encumbrances	\$(3,374,991)	
	GVB BOD Committed Funding Balances		
	Air V and V (Vaccination and Vacat	\$ 993,597	
	Hafa Adar Half Campaign	\$1,600,000	
	Market Recovery Efforts	\$2,682,381	
	Other CAPEX Committed Funding	\$2,741,099	\$(8,017,077) \$ (12,314,683)
	Net Estimated Cash Balance September 30, 2021		\$ 4,072,771

Questions & Discussions

- Director Ferguson asked out of the \$8M Board committed funding balances, how much will be spent in September; Director of Finance mentioned that there are items that are pending invoices and billings; some are pre-approved Marketing Programs

Recovery Fund Spending Update

- Market Recovery \$3.4M inclusive of the Rainy-Day Fund
- Total disbursements to date \$806K
- Balance of Recovery Fund \$2.6M; ties into the Cash Forecast

Questions & Discussions

- Director Ferguson asked when the \$2.7 will be spent. The committed Market Recovery Balance of \$2.7 has not been paid out
 - Majority of Destination is thrown into programs and promotional support
 - Market Recovery Funds are not committed to one fiscal year; we asked the Legislature for flexibility without a September 30 deadline
 - Funds are from FY2020

Vax n' Win Expense Summary

- \$450K anticipated (BBMR approved)
 - \$296K bill presented
 - Currently processing bills & invoices of \$253K
- Cash Donation \$7.5K
- In-Kind Donation \$50K
- Expense Breakdown
 - Gifts & Prizes \$193K
 - Professional Fees \$3,200

Liberation Day Program

- BBMR appropriated \$25K
- All expenses totaling \$22,160 was submitted; awaiting payment
- Balance of \$2,800 to be billed if any outstanding invoices related to the program

Electronic Declaration Form (EDF)

- Governor Leon Guerrero authorized \$250K to be used for the EDF
- GVB received \$123K to date
- \$106K pending collectibles from billed invoices
- President Gutierrez & Vice President Perez met with Governor LG
 - Governor LG assured Management that BBMR would release the pledged balance of \$250K for the EDF

Air V&V Expenses

- The Board approved \$1M on August 24, 2021
- \$6,400 was spent
- \$860K is committed
 - The largest ticket item is the PCR testing (\$600K) that has not commenced as of yet
 - The second ticket item will be Taiwan promotions

Håfa Adai Half Campaign

- The Board approved \$1.6M on August 24, 2021
- \$256K committed to charter flights

VII. REPORT OF THE BOARD COMMITTEES

A. EXECUTIVE COMMITTEE

- Nothing to report

B. ADMINISTRATION & GOVERNANCE

- Nothing to report

C. REOPENING TASK FORCE

Director Shinohara reported the following:

- Was a guest speaker for United at the Tumon Bay Rotary Club of Guam meeting
 - Invited the audience to register their ideas at the Reopening Task Force meeting scheduled every other Thursday at GVB, 11:00 am.
- Discussed what the CNMI has been doing and the initiatives they're taking moving forward
- Opportunities for partnership with the Rotary Club and the community
- As an airline representative, Director Shinohara indicated the inappropriateness for him to bring forth the motion that follows

Director Ferguson made a motion, seconded by Director Ada, to authorize Management to reallocate \$600,000.00 from the Air V&V budget to the Air Service Incentive Program and authorize GVB's President & CEO as Chief Procurement Officer to administer these programs and negotiate with qualified applicants. **Motion Approved.**

Background: GVB's air service incentive programs aim to increase seat capacity and drive visitor demand to Guam on a charter and regular basis. To help recover a stable level of direct service, GVB has developed various programs offered to all partners in target markets:

- Regular Air Service Recovery Incentive Program
- Charter Flight Marketing Incentive Program
- Regular Charter Flight Marketing Incentive Program

Each program provides support to companies or airlines that provide direct air service to Guam. Support comes in the form of subsidies to share the risk of doing business. Applicants must meet certain conditions to apply and receive support as part of these programs. To augment the efforts of the Air Service Incentive programs, additional resources from the Air V&V program are required to address the high demand of the program. In the Recovery Task Force Meeting and the Board Meeting, it was discussed that the funding approved for Air V&V should be used to support the Taiwan Charters. It was explained that the funding was set aside for PCR Testing for returning visitors.

Comments & Discussion

- \$600K will be added to the \$1M that was allocated to airline incentives
- A successful expected return would be a benchmark of 2K customers
- 19 Charters are specific to Taiwan; funds can be used for other markets
- Director Eun asked if GVB is providing any subsidies and incentive programs
 - Meetings were held with all carriers to discuss various incentive programs; many applications are being received at this time
 - United was one of the first airlines to receive subsidy money in partnership with GVB to commence flights between Guam and China. The program evaporated because it was not sustainable. The dollar amount being invested by GVB & United was not proportional to the number of arriving passengers
 - The previous General Air Service Development plan - incentives or subsidies that were a desired market was generated to either drum up a non-existent business between a destination and Guam or an underserved market
 - GIAA's mission and priority is new services
- Need business to activate viability of local suppliers
- Director Shinohara is concerned about the balance of recovery. With COVID case numbers rising, resources spent on Air V&V may be less relevant; suggested allocating resources to Marketing instead
 - Will need resources to compete appropriately with everyone once source markets are ready for robust business
- convert charters into regular flights
- Motion authorizes Management to reallocate funds from Air V&V to Air Service if necessary

D. AIR SERVICE DEVELOPMENT

Chairman Morinaga reported the following:

Air Incentive Programs

- Charter Flight Marketing Incentive Program has been discussed with Taiwan tour agents, Phoenix Tours, and Lion Travel
- Regular Air Service Recovery Incentive Program; in communication with Korean Air, T'way, United, JEJU, and Jinair

Japan

- MOFA travel advisory and warning level to the US remains at level 3
- Thousands of antigen tests have been distributed to schools

United Airlines

- continues to operate daily Narita flights to Narita

Japan Airlines

- suspended until October 30 (Narita)

T'way

- extended suspension until October 30

Jeju Air

- suspended until September 30. (Kansai)

Korea

South Korea extended its special advisory against overseas travel until September 5th.

Korean Air

- will fly twice a week in October
- Ongoing campaign website promotion

Jin Air

- Currently flies twice a week
- Working on website promotion and Early Bird Promotion

T'way

- Currently flies once a week and will increase to two flights a week in September
- Website promotion begins September 1

Air Seoul

- Plans to fly twice a week in October

Air Busan

- Plans to fly twice a week starting October 24th

Jeju Air

- Scheduled to fly twice a week beginning October 3, 2021

Chuseok Charters

- 13 charters reduced to four due to 4th wave
 - Korean Air and Jeju Air showing an interest in charter flights

E. TAIWAN

Committee Meeting Minutes - August 13, 2021

EXHIBIT C

Chairman Morinaga reported the following:

- 15,932 confirmed COVID cases
- Taiwan President received and promoted the local home produced vaccine, Medigen
- Extended level 2 COVID alert to September 6, 2021
- 1869 hotel rooms were occupied by Air V&V travelers from the Taiwan charter flights

Comments & Discussions:

- Director Ada recalled previous discussions regarding an MOU to be made between GVB and GEDA, GIAA, Port Authority and questioned its update
 - GEDA pulled out due to funding
 - According to Vice President Perez, the entities desired to partner up to expand Guam's representation in Taiwan
 - to broaden the activities of the "Guam Taiwan Office" and our ability to participate in various aspects of involvement
 - The proposed office was to give our Taiwan marketing rep the credentials to speak with the economic development industry, not only the tourism industry; protocols will not allow this, hence broadening it to the Guam Taiwan Office.
 - Before GVB issued the RFP, Port Authority decided not to participate
 - RFP was structured for GVB to solely manage the Guam Taiwan office with the intent to include GIAA and GEDA
 - Was not successful in receiving an MOU on time from GEDA (outline sent in March 2021); still on the table
 - GVB signed with the idea that we'd still be able to link with GIAA and GEDA at a later date
 - MOU signed with GIAA
- In speaking with TECO Director General Paul Chen, Director Ada mentioned that tourism is a minor aspect, and they are looking into broadening manufacturing, development, etc.
- No cost to GEDA & GIAA in the context of incidental activities. Should incremental efforts or incurred expenses occur that are GIAA or GEDA specific, they must cover the costs.
- GVB's contract on Marketing includes assisting other government agencies

F. DESTINATION MANAGEMENT/VISITOR & SAFETY SATISFACTION

Director Shinohara made a motion, seconded by Director Eun, to authorize 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 2021-008 TOUR GUIDE PROGRAM COORDINATOR, and if successful, to enter into a contract. Motion Approved.

Background: The role of the GVB Tour Guide Inspector (TGI) is to monitor tour guide operators as to their compliance with Public Law 23-136 and Public Law 24-106 (Rules and Regulations governing the certification of tour guides and licensing of tour operator businesses). This is a full-time position, working no more than 40 hours per week or 160 hours per month, and reports directly to the Special Projects Officer. Requires that priority is placed in the facilitation of the Tour Guide Program, Park and Facilities Inspection, and GVB Marketing and Community Programs.

Contract commences October 1, 2021, through September 30, 2022, along with two one-year options to renew (FY2023 and FY2024); and is subject to fiscal year-end performance reviews, availability, and certification of funds from fiscal year to fiscal year.

Issue: Board approval required.

Comments & Discussions:

- The Tour Guide Program Coordinator contract expires September 2021
- Currently conducted by Lyann Cruz

G. CULTURAL HERITAGE, COMMUNITY OUTREACH & BRANDING

- Nothing to report

H. RESEARCH / MEMBERSHIP

- Nothing to report

I. SPORTS & EVENTS

- Nothing to report

J. JAPAN

Committee Meeting Minutes – August 17, 2021

EXHIBIT D

Japan Market Updates

Director Bell reported the following:

- Information well covered in other reports during today's meeting
- Added, Japan to reach 80% vaccination by October

US Commercial Service Tokyo Webinar – September 16, at 2 PM

- Attendees: Confirmed
Mr. Steve Knode, US Commercial Service, Counselor for Commercial Affairs
Mr. Tadashi Shimura, Japan Association of Travel Agents, President
GVB Management

Monthly JMC Meeting

- Tuesday, September 14, 2021 at 1:30 PM

K. KOREA

Committee Meeting Minutes – August 17, 2021

EXHIBIT E

Director Eun reported the following:

Covid Updates

- 27 million fully vaccinated (52%)
- 13 million (46%) on track

Charter flights

- Reduced to 2 due to cancelations

New Update

- South Korea is considering the possibility of adopting a new exit plan of "living with COVID-19."
- The Korean government has 552K soldiers
 - They will begin a pilot program with a small unit of soldiers to see how their immunity will work without a mask
 - If successful, they will expand the study with the Korean Army in general
 - Once they believe in its success, they may lift the quarantine requirement for returning Korean travelers, whether vaccinated or not.
- A company called Interpark Tour conducted a survey and study based on reservation pre-booking data
 - Based on their study, Hawaii and Guam were selected as the most preferred destinations for 2022

L. NEW MARKETS

- Nothing to report

M. NORTH AMERICA, PACIFIC & PHILIPPINES

- Nothing to report
- The military will arrive next month for an upcoming exercise

VIII. OLD BUSINESS

- No Old Business

IX. NEW BUSINESS

- No Old Business

X. EXECUTIVE SESSION

- No Old Business

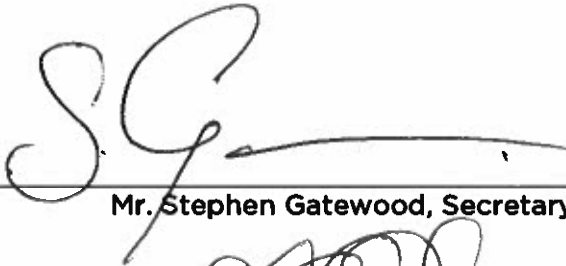
XI. ANNOUNCEMENTS

Upcoming Board Meetings:

- September 09, 2021
- September 23, 2021

XII. 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