



REGULAR BOARD OF DIRECTORS MEETING MINUTES

Thursday, November 12, 2020, at 1:30 p.m.

TELECONFERENCE - GoToMeeting

(<http://www.gotomeet.me/GUAMVISITORSBUREAU/boardmeeting11122020>)

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 Camacho, to approve the minutes of the previous Board of Directors meeting dated October 22, 2020, subject to minor corrections. **Motion Approved.**

IV. CHAIRMAN'S REPORT

- Congratulated GVB oversight Chairwoman Senator Therese, Speaker Tina Muña-Barnes, and Budget Chair Senator Joe San Agustin on their election victories. Thanked them for their keen interest and cooperative spirit in working with the bureau.
- GVB, in collaboration with GHRA and UOG, submitted a business presentation to Governor LG and her team after the board's agreement. While non-conclusive, there is continued dialogue with DPHSS as funding availability was a concern.
- Governor LG and the US Surgeon General, Dr. Jerome Adams, met by video conference on November 6, 2020.
 - Dr. Jerome Adams was very optimistic that a vaccine will be ready and available by the end of this year.
- Many are experiencing COVID fatigue.
 - Guam needs to maintain the will to fight this virus; by avoiding unnecessary gatherings and staying vigilant.
- Chairman Ada, Vice Chairman Morinaga, Director Camacho, President & CEO Gutierrez, Vice President Perez, and Global Marketing Director LG, had the opportunity to meet Director General Paul Chen and Deputy Director Stephen Hsu from the Taipei Economic and Cultural Office (TECO)
 - Director-General Chen will be instrumental in renewing and kickstarting our economic, tourism, and cultural endeavors with Taiwan.
 - He is very well connected, experienced, and has already been quite busy in his five weeks on the island with visits with Governor Lou, GIAA, GEDA, and GVB.
- The Executive Committee met with management on Nov. 10, 2020
 - management will continue to direct and maintain its updates on core markets and carry out what they can to keep the Guam name top of mind.
 - GVB will also keep engaged in solutions to support our industry by supporting Governor LG, and DPHSS' efforts take hold and control COVID so Guam can open up.

V. PRESIDENT & CEO'S REPORT

- GVB Management met with a very receptive Governor LG and provided updates on ideas to assist outside of DPHSS and the Office of the Governor's regular functions.
- GVB is working to figure out how businesses can open, our people could resume employment, and our community could start enjoying various activities, restaurants, and shopping once again.

Taiwan/TECO

- TECO Director General Paul Chen engaged himself in tying the relationship between Taiwan and Guam. We are looking at augmenting the office in Taiwan to include GIAA and GEDA.
- Chairman Ada shared with TECO that GVB has a role in tourism and economic development as well.
- GVB, GEDA, and GIAA are willing to share the cost and expand TECO's portfolio in Taiwan.
- Starlux applied for service to Guam
- Eva Air approved for service to Guam

Tourism Industry

- GVB is waiting for COVID numbers to descend and Governor LG to lower the PCOR status so the tourism industry can open some doors. High numbers are holding us back from opening up the tourism industry.
- He encouraged the community to take responsibility to abide by the rules and bring the numbers down.
- GVB has good partnerships with GEDA and GIAA; it foretells well for our government and tourism industry.

Operation Christmas Drop

- Took an aggressive partnership with the Air Force to raise and gather donations for Operation Christmas Drop. The deadline to submit monetary sponsorships and donations is December 5, 2020.

ACTION: President to send the Christmas Drop wish list to Board Directors.

Comments & Questions:

- Director Arriola wished President & CEO a Happy Veterans Day and expressed thankfulness for the Netflix Christmas Drop movie that exposed Guam. Guam received great coverage that we could not afford. She suggested opening the Christmas drop donation to Cabinet Members.
- Director Camacho asked that the message be sent to GVB membership.

VI. VICE PRESIDENT'S REPORT

Three Issues

- Continue to stay, engage, and communicate with source markets to keep Guam top of mind.
- Focus on assisting DPHSS contain and reverse COVID infection so we could get back to business.
- Engaged with GEDA in the attempt to revise the arrangement with Taiwan. Taiwan's budget had been significantly cut when COVID hit. More responsibility was added to Felix in Taiwan to engage in economic development, medical referrals, and other issues.

Hawaii Tourism Reopening Webinar Presentations

- Hawaii opened up their market for tourism in mid-October.
- Most of their market is westbound from the US.
- Policy drivers that led the Hawaii State government to manage the virus while opening the economy
 - Ecosystem driven by tourism
 - 30K arrivals a day to 1K
 - Businesses on life support; some closing after 60+ years

Tourism opened on October 14

- Pre-testing strategy in collaboration with the airlines and approved labs from west and east coast
 - robust health & hygiene protocols in supply chain
 - signage, ultraviolet scanners at the airport, electrostatic spraying, and frequent wipe downs
 - modern-day devices

Japan News Update

- JTB does not see regular travel to Hawaii until September 2021.
 - Trying to gear up outbound traffic
 - Focused on domestic travel and Summer Olympics
- COVID Testing facilities are now in Haneda and Narita for convenience
- Similar to in-country surveys GVB conducted, surveys in Japan indicate consumers desire to travel overseas
 - Initial travelers are business travelers, residents, and students, followed by repeat visitors and 3rd generation market—lastly, senior market and group travel.
 - Travel not popular until vaccines are readily available.
 - Travel is a want and not a need; motivation is vital in stimulating travel to a destination.
 - Convincing key message to market about health & hygiene safety destination
 - Talks of new concepts in travel that are seeing an increase - outdoor nature experiences, activities for small and private groups arranged away from the crowd
 - COVID-19 pre-test program at JTB tourism health centers

Hawaii Industry Sentiments

- Recovery trajectory depends on COVID-19 situation; estimating three years into 2023
- Tourism opening strategy is keeping COVID-19 infection down by strategic testing, safety protocols, and touchless experience
- Liquidity is the largest issue in Hawaii and becoming more acute due to CARES funding delays
- Online retail sales increased dramatically, and 55% of consumers are using curbside pickup
- Black Friday started in October; resort retail to open by December 25th
- Luxury retail is by appointment with time stamp admissions to avoid lines

As of November 9

- Pre-testing 72 hours before arrival would avoid 14-day quarantine
- Because of volume, they are sample testing 10% of returning residents
- Out of 15K passengers, 18 were detected to be positive
- Since opening the state to tourism, their positivity rate is one-tenth of 1% (like Taiwan levels)

Guam's current situation

- Issues with testing scale and contact tracing capacity
- Hospitalization cases are becoming overwhelming

Proposed Community Augmentation Plan

- UOG, GHRA, GVB Business coalition presented to Governor LG on November 4
- We are focused on high volume rapid testing approach to see how we could leverage the private sector to assist with mass screening.
- Governor LG supported the principle's efforts but directed detailed discussion with the DPHSS director before moving forward with the screening process.
- Presentation drawback to Governor LG was a \$10M budget tag for a 3-month pilot was a "non-starter."
- GVB and GEDA exploring other less costly options for Governor's consideration
- Still developing details before discussing with Governor & medical advisors

Update from Surgeon Cell

- Recent mitigation efforts led to a decline in COVID Area Risk (CAR) score
- Most cases found in overrepresented communities throughout the island by employing the rapid testing concept
- The suppression goals currently aimed at getting a CAR score below 5.0 using the three-step approach
 - Rapid testing at the airport
 - Monitoring & Contact tracing
 - Post-arrival testing 5-7 days

Unsafe structure inspection

- Destination management has been surveying Tumon with DPW
- DPW Director Arriola, DPW building inspectors, GVB Destination Specialist conducted inspections on October 29.
- Four buildings were inspected, and one is pending (behind Proa) clear access.
 - Two derelict homes on Happy Landing Road
 - One derelict apartment building behind Acanta Mall
 - One derelict apartment behind an abandoned garage
- Individuals using the derelict buildings
- Inspection reports completed by DPW
- DPW working with DLM to identify the owner(s)

GVB Membership Update

- Dues collection delayed to November 5, thus encouraging members to pay their dues and vote in February 2021. One hundred sixty-seven members as of November 12, 2020.
- Deadline to submit nominations - December 9, 2020, by 5 pm
- GVB membership election - February 5, 2021

Staying Engaged with source markets - Give Us A Moment: Guam Online Exhibition

- First virtual online exhibition hosted by GVB Korea - November 18-30, 2020
- Series of activities planned - number of Guam companies and GVB members participating
- www.guamexhibition.com

VII. TREASURER'S REPORT

EXHIBIT B

- No report until next board meeting

VIII. REPORT OF THE BOARD COMMITTEES

A. EXECUTIVE COMMITTEE

- Touch base with Management to align and ensure that we are on the same page - being present in current markets

B. ADMINISTRATION & GOVERNANCE

EXHIBIT C

1. **Director Camacho made a motion, seconded by Director Gatewood, to approve the GVB-FA-003 Mileage Reimbursement Policy effective December 1, 2020. Motion Approved.**

Background: GVB leases vehicles amounting to \$917.00 per month plus an average of \$75.00 monthly fuel expense. However, in previous months and during the regular business course, the vehicle is mostly used twice each week at the most for company errands. The management recommends purchasing its vehicle, which can also be used as a utility vehicle when normal operations resume. In the meantime, management determines that it is prudent to cancel the monthly lease and offer mileage reimbursement following IRS Business Mileage Reimbursement rate effective December 1, 2020. An umbrella policy for

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Hired & Non-Owned Auto Liability insurance coverage with \$1,000,000 Combined Single Limit for Bodily Injury and Property Damaged per Occurrence in the Annual Aggregate.

Cost Estimate: Undetermined

Funding Source/Account: Operating Fund/Based on Availability of Funds

Action Required: Board Approval Required

Comments & Questions:

- Vice President Perez clarified that management recommends using personal vehicles, which has been put together as a matter of practice, and have the necessary insurance coverage for that purpose.
 - President & CEO Gutierrez clarified his interaction with Director of Finance Villanueva was; eventually, GVB will purchase a vehicle instead of leasing in the future.
 - GVB is giving up the current vehicle lease.
2. **Director Camacho made a motion, seconded by Director Arriola, to authorize Guam Visitors Bureau management to determine an appropriate and reasonable payroll deduction for employees who have a shortage payment on Standard Life Insurance premium from December 2016 to September 29, 2020, specifically with five employees with significant back premium balance (\$3,510.26). GVB will upfront the short premium payment to Standard Group Life, totaling to \$4,240.52. Motion Approved.**

Background: During the most recent Open Enrollment of Standard Life Insurance, a reconciliation was made on employee premium payroll deduction with additional coverages and documentation on file. It was discovered that 14 employees were affected as a result of 1) premium changes in the year 2014, which was not updated for employees who just rolled over coverage without changes each year, 2) age bracket premium adjustments 3) Error in Payroll Deduction Set-up at Payroll Platform at Semi-Monthly (24 PPE's) instead of Bi-Weekly (26 PPE's)

Cost Estimate: \$4,240.52

Funding Source/Account: Operating Fund

Action Required: Board Approval Required

Questions & Comments

- Vice President Perez mentioned that there had been some mix-up in accounting over time, which created a situation where employees were shortchanging the premium payments. Most employees agreed to get deducted at once when the actual affordable amount owed was revealed.
 - GVB to pay the insurance company the amount owed because of the mix-up in paperwork over time, and the employee will be repaying it; no fault to the individual employee.
- Spread of automatic deduction for fiscal year 2021
- Automatic deduction to be left at the discretion of management to individualize per employee.
- Management to work it out, so there is a standardized approach

C. DESTINATION MANAGEMENT

- Trimmed back VSOs across Tumon.
- Noticing a lot more trash accumulated across different properties

ACTION: Management to send a message to membership reminding others that frequent the beach to take their trash with them or place in proper receptacles.

3. **Director Shinohara made a motion, seconded by Director Shimizu, to approve change order #2 for Tumon Landscaping Maintenance Contract to continue cleaning the catch basins and inlet grates between the Hyatt Hotel and Tumon Precinct to address the ongoing flooding in Tumon. The total Budgetary estimate for this work is \$260,000.00. Motion Approved.**

Background: The scope of work was modified in Change Order #1 dated March 5, 2020, to include cleaning of the catch basins and culvert system. The modification required removing the debris and silt, which has entered the drainage system and has accumulated through the years due to the lack of maintenance. Change Order #2 being issued for FY2021 is to continue the work, which has been delayed due to the COVID pandemic and a significant amount of hardened sediment buildup. Also, despite ventilation fans and the workspace being monitored and cleared for access by a Certified Industrial

Hygienist, personnel have experienced symptoms ranging from nose bleeds, headaches, and dizziness. The conclusion was trapped CO₂ or methane gasses were being released as the silt was being disturbed.

Cost Estimate: \$260,000.00

Funding Source/Account: CAPEX - Tumon Flood Mitigation Project

Action Required: Board Approval Required

4. Director Shinohara made a motion, seconded by Director Gatewood, to approve Task Order No. 1 for W.B. Flores & Associates to provide project management, construction management, and inspection services to clean the culvert systems from Rivera Lane to Fujita Ponding Basin. This includes but is not limited to pre-startup planning, coordination for startup work with DPW and EPA, construction inspection support, onsite observation (project engineer and consultant inspector), progress reports, weekly meetings, and project administrative work. The estimated project timeline is between December 2020 to May 2021. The total Budgetary estimate for this work is \$81,000.00. **Motion Approved.**

Background: The Guam Visitors Bureau is actively addressing the flooding issues along San Vitores Road by contracting the cleaning of the culvert system and removing harden sediment that has been accumulating for nearly 20 years. W.B. Flores and Associates will provide the necessary technical engineering expertise and capabilities needed for this project.

Cost Estimate: \$81,000.00

Funding Source/Account: CAPEX - Tumon Flood Mitigation Project

Action Required: Board Approval Required

5. Director Shinohara made a motion, seconded by Director Gatewood, to request GEDA to return any unspent funds associated with the Palacio project, which will be used to address the ongoing Tumon flood mitigation efforts. **Motion Approved.**

Background: The MOA re-programmed \$5 million from the HOT Bond, Series 2011A (Tumon Flood Mitigation) to the re-construction of the Palacio building. The Palacio's conceptual design was finalized; however, construction was suspended due to unforeseen obstacles. Presently, funding has not been fully expended and is still available in the amount of \$4.715 million.

Cost Estimate: N/A

Funding Source/Account: N/A

Action Required: Board Approval Required

Questions & Comments

- Director Shinohara noted that due to GVB's FY 21 dire funding situation, the return of funds would help place us in a better position to respond to anything. The funds are not programmed directly as of yet.

ACTION: Chairman Ada requested that Director Shinohara work with management & staff to look at what has been done regarding trash accumulation across Tumon. Add to 12/10/2020 board agenda - past work, identify what needs to be done, what worked and what didn't, suggested messaging/pride campaign.

D. VISITOR & SAFETY SATISFACTION

- Covered under Destination Management

E. CULTURAL & HERITAGE

- Nothing to report

F. RESEARCH / MEMBERSHIP & COMMUNITY OUTREACH

- Director Gatewood reported Customs Digital form is currently in process
- Membership - 167 members represents 570 votes for the upcoming election.
 - Deadline to submit nominations - December 9, 2020, by 5 pm.
 - Candidates will be asked to submit a bio & questionnaire to GVB membership for review & consideration.
 - Membership election scheduled for February 5, 2021.

G. SPORTS & EVENTS

- No updates to report
- Several upcoming outdoor events to continue:
 - Drive-In movie theater fundraising event at the Guam Football Association parking lot
 - Luna Festival – Outdoor concert at backroad to Andersen

Questions & Comments

- Director Hofmann asked if there will be New Year's Eve fireworks or funding for it; it would be a nice gesture if we could afford it and find a way to make it happen.
- President & CEO Gutierrez mentioned an alternative route to fireworks, a pre-programmed lighted drone presentation he watched that resembles fireworks; we could look into this.

H. AIR SERVICE DEVELOPMENT & CORONA VIRUS TASK FORCE

- Vice-Chairman Morinaga reported Vice President Perez had already addressed most information.

COVID-19 Cases as of November 11, 2020:

- Worldwide: 10.7M confirmed; 14.5M active
- US: 10.7M confirmed; 3.8M active
- JAPAN: 110,156 confirmed; 1,270 active – currently experiencing a spike; COVID Task Force doctors mentioned it could be the 3rd wave
- South Korea: 27,799 confirmed; 2,000+ active
- Taiwan: 504 confirmed; 49 active

DPHSS COVID-19 Enforcement Regulation

- Public Hearing empowering DPHSS to cite people who violate the rules, regulations, and COVID safety protocols.

Air Service Updates:

JAPAN

- United: continues to fly daily operations; additional flights suspended to January 4, 2021.
- T'way: suspended until December 19, 2020
- Jeju: suspended until December 31, 2021
- ANA & Japan Airlines outbound to Hawaii: ANA flights are confirmed; Japan Airlines debating on flights.

SOUTH KOREA

- Outbound seat capacity 756 seats; four flights to Guam
- Korea low-cost carrier minimizing the aircraft according to airport portal system Korean LCC returned a total of 15 aircraft. They are cutting costs on fixed costs.
- Jin Air transports cargo to the US; launched a Skyline Tour product with the Hong Kong visitors industry bureau to co-op with Klook on November 14.

TAIWAN

- Starlux, owned by the former owner of EVA Air, always desired to visit Guam
- Low-cost carrier with first-class service
- Applied to the Aeronautics Board to fly into fifteen American destinations to include Guam; scheduled to fly by 2022.

I. JAPAN

Japan Market update

- COVID-19 on the rise in November
- number of newly infected people per day continues to exceed 1,000 people nationwide
- spread of infection in Hokkaido is drawing attention
- ventilation issue due to cold and dry air has been addressed
- Japan concerned about future third wave infection, nationwide

- "Go to Travel Campaign" continues without interruption
- Domestic travel is not restricted
- Concerns with the deregulation of quarantine for business travel may be adversely affected

- Business trucks targeting business travel started between Singapore, South Korea, Vietnam, and Japan. Business trucks are exempted from 14-days quarantine after entering Japan, provided they submit a pre-departure PCR negative certificate and a schedule during their stay in Japan.
- Quarantine measure exemptions originating from Japan and returning for short-term business trips have been downgraded to level 2 (suspension of unnecessary travel) on the MOFA infection risk information in some countries.
- Guam remains at level 3 due to the high risk of COVID-19 infection
- Japanese market has no significant change; package tours of major travel agencies are canceled during the holidays. (end of year and New Year)
- Flight suspensions have been further extended
 - JAL suspended until January 31st except for three extra flights on 12/24, 1/4, 1/24. There is no prospect of resuming tourism from Japan.

Accepting tourists from Japan in Hawaii

- Hawaii began 14-day quarantine exemptions on November 3rd.
- Negative PCR test certificate must be submitted within 72 hours before entering Immigrations from Japan.
- MOFA's infectious risk information is at level 3 (same as Guam).
- Travel agency tour packages have not resumed
- the number of tourists traveling for sightseeing purposes is minimal due to the 14-day quarantine
- Japanese consumers do not want to travel abroad unless the 14-day quarantine when returning to Japan is lifted.

JATA & GVB

- GVB participated in the Webinar Series hosted by the Japan Association of Travel Agents (JATA) on November 12, 2020.
- Guam was provided the unique opportunity to kick-off this digital event as the first destination in 22 countries/regions with an audience of over 3000 Japanese stakeholders.
- Nine GVB members conducted an 8-minute live product/service presentation
- Thirty-three videos will be posted on the JATA website
- JATA Tourism Expo will be held at Tokyo Big Site from January 7-9, 2021
- B2B meetings will be held around the same time.

- The next JMC meeting is scheduled for November 17 at 1:30.

J. KOREA

Committee Minutes dated October 13, 2020

EXHIBIT D

- Director Kloppenburg is absent. Vice-Chairman provided Korea's update in his report.

K. GREATER CHINA

Committee Minutes dated October 09, 2020

EXHIBIT E

- Director Joann reported TECO's visit & discussions, and Starlux Airline was declared by President & CEO.
- The next Greater China Committee Meeting is December 13, 2020

L. NEW MARKETS

- Nothing to report

IX. OLD BUSINESS

X. NEW BUSINESS

XI. EXECUTIVE SESSION

XII. PUBLIC COMMENTS

XIII. ANNOUNCEMENTS

Upcoming Board Meetings:

- December 10, 2020
- January 14, 2021

XIV. ADJOURNMENT

Director Camacho made a motion, seconded by Director Shimizu, to adjourn the Board of Directors regular board meeting at 2:52 p.m. **Motion Approved.**



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



Board Minutes respectively submitted by Valerie Sablan, Executive Secretary