



REGULAR BOARD OF DIRECTORS MEETING MINUTES

Thursday, February 10, 2022, at 1:30 pm.

GVB Conference Room and Teleconference - GoToMeeting

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

I. CALL TO ORDER

- Chairman Morinaga called the Board's regular meeting to order at 1:37 pm with a quorum being present

II. ROLL CALL

In-Person: Milton Morinaga, Paul Shimizu, Sonny Ada, Ben Ferguson, Akihiro Tani, Sam Shinohara

Online: Laura Cepeda, Ho Eun, Derrick Quinata

Absent: Rudy Paco, Flori-Ann Dela Cruz, Jeff Jones

III. MINUTES OF THE PREVIOUS MEETING

EXHIBIT A

Director Ada made a motion, seconded by Director Shinohara, to approve the previous Board of Directors meeting minutes dated January 27, 2022, subject to minor corrections. **Motion Approved.**

IV. CHAIRMAN'S REPORT

- Honored and recognized Mr. Tomatsu Iizuka, Mr. Joe Blas, Mr. Francisco Guerrero, and Mr. Stephen Hsu for their outstanding dedication and service to the people of Guam.

Director Ada made a motion, seconded by Director Cepeda, to approve Board Resolution 2022-001 for Tomatsu Iizuka for contributing over 50 years of service to the development of Guam's tourism industry. **Motion Approved.**

Director Ada made a motion, seconded by Director Cepeda, to approve Board Resolution 2022-002 for Joe Blas for his contributions to the Hotel Nikko Guam, Guam's Tourism Industry, and the people of Guam and congratulating him on his retirement. **Motion Approved.**

Director Ada made a motion, seconded by Director Cepeda, to approve Board Resolution 2022-003 for Mr. Francisco Guerrero for over 26 years of supporting Guam's tourism industry with Lam Lam Tours and Transportation as its Assistant General Manager - Director of Training, and for his contribution to the island as a retired U.S. Army CHamoru Sergeant Major, dedicating more than 50 years of combined service. **Motion Approved.**

Director Ada made a motion, seconded by Director Cepeda, to approve Board Resolution 2022-004 for Mr. Stephen Shu-Chih Hsu, who is ending his tour on Guam, and recognize his contributions as Director of the Taipei Economic and Cultural Office (TECO) in Guam. **Motion Approved.**

Presentation of Resolutions

- Mr. Stephen Hsu

The following recipients were unable to attend the board meeting to receive their legislative resolutions:

- Tamotsu Iizuka
- Joe Blas
- Francisco (Frank) Taitano Guerrero

- Chairman Morinaga thanked Senator Shelton, Moylan, and San Agustin who came to recognize the recipients for their time, dedication, and service in the tourist industry. The Resolution Presentation was moved to Friday, February 18, 2022, at the Nikko Hotel, Tasi Ballroom.

Election of Board Secretary

- Director Stephen Gatewood served as GVB's Board Secretary and resigned on January 10, 2022.
- Chairman Morinaga moved to open nominations for the Board Secretary
- Director Shinohara nominated Director Jones
- Director Ada moved to close the nomination, seconded by Vice-Chairman Shimizu
- The following directors were in favor of the nomination and voted: Chairman Morinaga, Vice Chairman Shimizu, Director Ada, Director Cepeda, Director Eun, Director Quinata, Director Ferguson, Director Tani, Director Shinohara
- Director Jones was voted in as Secretary with 2/3 of the majority votes

V. MANAGEMENT'S REPORT



January 2022

January 1-31, 2022 Total: 6,066 (+148.7%)

% Market Mix	Origin	2021	2022	% to LY
3.7%	Japan	70	223	185.4%
8.0%	Hawa	104	840	708.7%
0.3%	Taiwan	0	17	88.0%
0.3%	China	10	17	70.0%
66.4%	US/World	1,700	3,800	153.4%
4.0%	Philippines	100	364	363.7%
0.0%	Hong Kong	1	3	300.0%
0.0%	Other	1	1	0.0%

Fiscal Year to Date 2022


October - January 31, 2022 Total: 20,861 (+226.6%)

% Market Mix	Origin	2021	2022	% to LY
4.8%	Japan	549	1,404	255.6%
23.5%	Russia	261	6,137	2357.9%
0.3%	Taiwan	77	99	26.4%
0.7%	China	23	79	226.1%
54.8%	US/Vietnam	6,994	15,942	228.2%
4.1%	Philippines	966	1,369	132.7%
0.0%	Hong Kong	11	9	0.0%
0.1%	Russia	14	17	21.4%

- ### FY2022 GVB BUDGET UPDATE
- ✓ Big Picture Good News
 - Paying bills and meeting contracted obligations YTD
 - Still maintaining contact with source markets
 - ✓ Big Picture Bad News
 - TAF income will be below expectations
 - TAF income to date 73% of budgeted forecast
 - Budgeted \$6 million shortfall based on Q1 RR

- ### FY2022 GVB BUDGET UPDATE
- #### Management
- Still trying to pin down moving targets in unpaid allotments, TAF underperformance and source markets travel restrictions
 - Management will be revising budget based on latest TAF & other sources
 - Assumption of arrivals pick-up Q3 & Q4

FY2022 GVB BUDGET UPDATE



- Need augmentation from non TAF sources
- FLASH: Received today Q1 full allotment with non TAF augmentation

- ### Controller's Report
- Will be provided at the next meeting
 - Now that we have more updated info on allotments
 - Augmentation from non-TAF sources

SEAT CAPACITY DECEMBER 2021 - MARCH 2022

Market	December	January	February	March	TOTAL
Japan	6,346	6,346	4,648	12,399	29,739
Russia	10,789	6,659	4,793	22,399	44,639
Taiwan	-	-	-	239	239
China	-	-	-	-	-
US/Vietnam	10,699	10,699	6,699	10,699	42,196
Philippines	7,234	7,723	6,499	6,599	28,055
Hong Kong	-	-	-	-	-
Other	6,486	6,994	7,629	9,629	24,894
TOTAL	42,748	38,421	22,169	62,025	179,363
SEATS LOSS	-7,526	-17,327	-12,000	-18,239	-55,192

GVB Budget - Director Shinohara's meeting with Gerry Perez and Josie Villanueva

- Concerns about potential shortfalls
- Uncertainty from outstanding receivables from years before are being worked on
- Much work is needed
- The team committed to providing budget details at the next board meeting
- Outstanding Board and Management committed funds for various projects will be detailed for better understanding
- Will ensure that GVB has resources to propel initiatives forward
- Vice President Perez thanked President Gutierrez for advocating and pushing Adelup each day to release GVB's allotments

Q2 Japan SNS Fam Tours

- #HereWeGuam Ambassador FAM - 6 pax**
 - 2022 Campaign begins in February 2022
 - 4 Ambassadors/Jax shooting cover/2 GVB team
 - Post group arrives FEB 21
 - 3 Groups intend arriving in Guam
 - Debriefing of Guam images for advertising and SNS posts (1/20/21) and the strategic rollout of posts and our Ambassador to London, 1 letter of 'thanks' to 2nd Ambassador for Guam
 - Group leaves FEB 28
- HYPEREAST GOLF FAM - 6 pax**
 - February 28 - March 4
 - 2-3 Golf courses (SM Influence) & HyperEast Production team
- Feature - Plan**
 - Golf Courses, Restaurants, Beaches, Marine Activities etc. GVB Japan team to list up where should be featuring and credited to Gen 2



#Here We Guam Webinar

#HEREWEGUAM WEBINAR - February 22, 2022

Objectives

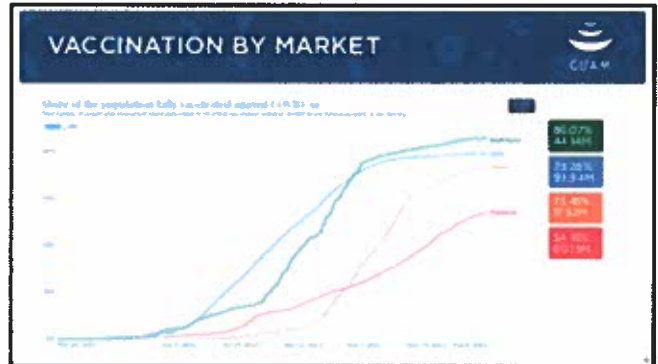
- Unite all stakeholders to create synergy to maximize sales
- Disseminate New GVB's strategic message for 2022 for the Japan travel industry
- Recovery Tourism that driving by new strategy

Project Scheme

- Scheduled date: February 22
- Time: 90 min from 1 PM, JPN
- Target: Japanese travel agencies, OTAs, airlines, media, GVB partners
- Expected number of participants: 300
- Include Live from Guam by Ambassadors, TA & Airline support

SEAT CAPACITY


Market	FY 2019	FY 2020	FY 2021	FY 2022
Japan	600,000	600,000	600,000	600,000
Korea	600,000	600,000	600,000	600,000
Taiwan	400,000	400,000	400,000	400,000
China	-	-	-	-
US/Hawaii	100,000	100,000	100,000	100,000
Philippines	100,000	100,000	100,000	100,000
Hong Kong	100,000	100,000	100,000	100,000
Other	100,000	100,000	100,000	100,000
TOTAL	2,000,000	1,800,000	2,000,000	1,800,000
Growth vs. LY	0.00%	-10.00%	11.11%	-11.11%



Erden Eruc

Inspiring Achievements

10000 days in business as more than 100000 people are smiling and enjoying the island of Guam.



- Of the level of the morning 11:30 AM
- To be able to find in Guam 10000 people

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Questions & Discussion:

- Director Ada inquired whether there is inbound activity for next quarter
- Movement in our market is sluggish due to protocol restrictions
- Hoping that restrictions loosen up by the 3rd and 4th quarter of the fiscal year (April - September 2022)
- According to Director Shinohara, Australia announced it was opening up to those who are vaccinated
- Singapore started up their vaccination travel lanes
- Korea's quarantine was reduced from ten to seven days
- Japan would like to relax their restrictions in March and are forcing people to get their booster shots

VI. REPORT OF THE BOARD COMMITTEES

A. EXECUTIVE COMMITTEE

- Nothing to report

B. ADMINISTRATION & GOVERNANCE

- Nothing to report

C. AIR SERVICE DEVELOPMENT

- Management provided a good update
- Japan Airlines flying in March
- United Airlines hopeful to have traffic in the air

D. TAIWAN

Committee Minutes - February 3, 2022

EXHIBIT B

- TECO Director Hsu recognized and presented with a Board Resolution and awarded a Guam Legislative Resolution at a gathering on February 5th
- Chairman Morinaga presented the Chairman's award for his service and dedication to Guam Tourism and Economics
- Guam & Taichung sister city agreement signing; tentatively scheduled for February 23rd
- Taiwan to lift entry ban on migrant workers from Indonesia, Thailand, Philippines, and Vietnam
 - Must be fully vaccinated
 - Undergo 14 days quarantine followed by seven days self-management at a quarantine hotel

E. DESTINATION MANAGEMENT/VISITOR & SAFETY SATISFACTION

- No updates

F. RESEARCH / MEMBERSHIP

- Nothing to report

Questions & Discussion:

- Director Ada inquired about the status of the EDF
- DPHSS - Electronic Health Declaration Forms
- Experiencing technical issues on their platform; customers are not receiving their QR codes but are in the system
- GVB forwarded everything to their tech team; feedback has not been received
- No source market translation issues; translations have been handed to DPHSS
- Translations were tested on our site, and they worked well

G. JAPAN

- Director Tani reported that the majority of the update was covered in the Management's report

Covid

- 92K cases reported nationwide as of February 8th
- Vaccination rate is 80+ nationwide
- Entry restrictions - must quarantine for three days at a government facility and an additional four days at home
- Next JMC meeting February 15th at 2:00 pm

Questions & Discussion:

- Director Shinohara inquired whether we are doing right while there is no traffic and whether it influences plans for the 3rd and 4th quarter of this year

- Director Tani mentioned that there were not many marketing activities except for items already reported by management.
 - Believes that it is an excellent time to plan a roadmap for reopening with tourists; Guam has a huge reopening advantage
 - Ensure that reopening could help to boost and compete with competitive destinations
 - Guam has a significant advantage with both the Japanese and Korean markets; better vaccination rates and travel distance
 - Consider risen costs – airlines, fuel, etc.
 - Create a support system for PCR testing
- We have .5M left for COVID PCR testing
- GVB stopped paying for PCR testing at the end of December because of changing protocols
- For those who arrived in January & February and had an appointment before arriving in Guam, we honored it
- Waiting on visitors from Japan and Korea to resume visiting Guam to restart the testing program with available resources; protocols must change in the source markets to resume

H. KOREA

- Korea vaccination and booster rates are better than the US
- The government of Korea is moving toward treating covid like the flu
- Upcoming election in March - How do we change the entry for returning resident protocols
- Participating in Baby Fair - Fair for parents of babies
- Next KMC Meeting - Tuesday, February 15th at 3:30 pm

VII. OLD BUSINESS

- Director Shinohara mentioned that the following (4) budget item motions below were tabled at the last Board meeting until we had a better idea of our finances. Management said they would present GVB's finances at the next Board meeting on February 24th.

Director Shinohara made a motion, seconded by Director Ada, to withdraw motions 1-4 under Old Business as listed below. After receiving the updated financial picture, the motions can be proposed at that time, if needed. Motion approved.

1. **Director Shinohara made a motion, seconded by Director Ada, to withdraw the motion to approve GVB management to reverse the revenue and collectible recorded in the fiscal year 2021 for August and September for a total of \$1,064,850.00. Motion Withdrawn.**

Background: Prior financial report presents assumptions that GVB will be able to collect full allotment with the drastically reduced budget for 2021. After meeting with BBMR and DOA on January 10, 2022, it was later confirmed that due to the shortage of TAF collection from projected, there would be no further allotment to be released to GVB related to FY2021. Therefore, reversal of receivable and reflection of accurate revenue and receivable as of September 30, 2021, is necessary. This will also eliminate the reconciliation needed for the ongoing external audit for 2021.

Cost Estimate: \$1,064,850

Funding Source/Account: N/A Operating Fund

Action Required: Board Approval Required

2. Director Shinohara made a motion, seconded by Director Ada, to withdraw the motion approve GVB management to charge \$126,759.54 of un-replenished expenditures related to Vax N' Win, Electronic Declaration Form, and Liberation Day program and charge it against the FY2020 Market Recovery funding. **Motion Withdrawn.**

Background: GVB management reported the expense tracking for the three programs and the anticipation that DOA will fully replenish the funds in prior board meetings. The funds were partially replenished. This is due to priorities for the release of GVB's allotment, although TAF's actual collection came short of actual budgets. On a meeting with DOA and BBMR on January 10, 2022, it was later confirmed that no additional funding would be released after the \$259,829.46 payments were made related to FY21.

Cost Estimate: \$126,759.54

Funding Source/Account: FY2020 Market Recovery Funds

Action Required: Board Approval Required

3. Director Shinohara made a motion, seconded by Director Ada, to withdraw the motion to rescind the board motion on 09/23/2021 and 09/30/2021 related to the GVB FY22 budget, which allocates additional funding from the anticipated unspent funds from FY21 with an estimated total of \$2,000,000 for Japan and \$85,846.94 for Korea (\$3,716.73), Taiwan (\$1,357.21), Pacific (\$6,365.00) and Global Website and Social Media (\$74,408). **Motion Withdrawn.**

Background: GVB management assumes that all allotments will be collected from the prior year, and there will be enough unspent funds at the end of the fiscal year 2021, as represented by the previous financial report. After closing of Fiscal year 2021 and accounting for expenses related to the close of the fiscal year and as a result of the recent meeting with DOA and BBMR, which confirms no further allotment for FY2021, it is confirmed that additional source of funding will not be available. A reshuffling of funding between markets and other programs will be needed to cover the shortfall.

Cost Estimate: Not Applicable

Funding Source/Account: Not Applicable

Action Required: Board Approval Required

4. Director Shinohara made a motion, seconded by Director Ada, to withdraw the motion to approve authorization of the President and CEO as Chief Procurement Officer of GVB to initiate planning and scoping efforts for the repair and improvement of the GVB Main Conference Room and issue the appropriate procurement solicitation (Invitation for Bid or Request for Proposal) as applicable and as needed for this project. **Motion Withdrawn.**

Background: The main conference room has not been renovated or improved since the building was constructed in the late 1990s, and current condition shows wear and tear, requiring much-needed repairs and improvement. The main conference room is a multi-function room. In addition to its use as a meeting space for the Board of Directors or in-house staff and committee meetings, it is also made available for use by other agencies and international visitors. Now is an opportune time to address repairs and improvement during this downtime and amidst the business lull affected by the pandemic.

GVB intends to begin with the planning and scoping phase with the advice and guidance of an architectural consultant who will assist in developing the necessary documentation (drawings, design schematic/model, bid specifications, bid schedules, etc.) to achieve our goal. Once the scope of work is finalized, an IFB/RFP (as applicable) will be issued.

The proposed start date is February 1, 2022.

Funding Source: CAPEX Admin Fund

Issue: Board approval required.

VIII. NEW BUSINESS

- Director Shinohara voiced his concern about challenges in conducting GVB's business associated with the Open Government Law requirements
 - Significant challenges with GVB presenting to the public, our detailed, robust marketing plans for each source market
 - This creates competitive disadvantages for Guam and GVB as a result
 - GVB's responsibility is to ensure we have the proper stakeholder involvement in these conversations and also satisfy the law's requirements
 - Essential to explain the challenges to the legislature; GVB potentially requires some dispensation for detailed strategic discussions about how to pursue initiatives from a tourism perspective without hurting ourselves in the process
- Vice President mentioned that another issue has to do with timeliness
 - Opportunities have their timing; they come and go
 - Some situations are time-sensitive and need to be responded to in a quick manner
 - We are constrained to the 9-day time frame before a board meeting announcement
- Director Shinohara added that if we have an immediate call to action, it cannot be addressed until nine days from the time we have that immediate need; by then, the opportunity has already come and gone
 - Limiting our capability of Guam's recovery as a result
 - It is challenging to facilitate Task Force meetings; places us at a disadvantage
 - Other markets are moving very quickly
- Chairman Morinaga inquired about the avenues to resolve this issue
 - Suggested bringing up the matter to the legislature, perhaps they can create legislation that does not conflict with the law but allows GVB flexibility to run its business
- Vice President Perez suggested that the issue be brought up with our Chairwoman Senator Shelton and a few key senators
 - Timing and responsiveness
 - We are competitive with other destinations; from a tactical and strategic standpoint, plans cannot be discussed openly
- Director Shinohara suggested having a meeting with the Vigilance Committee, who brought it to light
 - Explain GVB's situation
 - Perhaps they can assist in resolving their concerns and propose legislation that will facilitate what they would like to see and help with today's challenges
 - GVB is different from other agencies
- Chairman Morinaga to reach out to Mr. Webber

IX. ANNOUNCEMENTS

Upcoming Board Meetings:

- February 24, 2022
- March 10, 2022

X. ADJOURNMENT

Director Shinohara made a motion, seconded by Vice-Chairman Shimizu to adjourn the Board of Directors regular board meeting at 2:46 pm. Motion Approved.



Mr. Milton Morinaga, Chairman of the Board



Board Minutes respectively submitted by Valerie Sablan, Executive Secretary