



REGULAR BOARD OF DIRECTORS MEETING MINUTES

Thursday, February 24, 2022, at 1:30 p.m.

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 1:42 pm with a quorum being present

II. ROLL CALL

In-Person: Milton Morinaga, Ben Ferguson, Akihiro Tani, Sam Shinohara

Online: Paul Shimizu, Sonny Ada, Laura Cepeda, Ho Eun, Derrick Quinata, Jeff Jones

Absent: Rudy Paco, Flori-Ann Dela Cruz

III. MINUTES OF THE PREVIOUS MEETING

EXHIBIT A

Director Shinohara made a motion, seconded by Director Tani, to approve the previous Board of Directors meeting minutes dated February 10, 2022, subject to minor corrections. **Motion Approved.**

Director Tani made a motion, seconded by Vice Chairman Morinaga, to approve the previous Special Board of Directors meeting minutes dated February 18, 2022, subject to minor corrections. **Motion Approved.**

IV. CHAIRMAN'S REPORT

Taiwan

- According to the Taiwan Herald, Taiwan is slowly easing up on its quarantine policy and will create a travel bubble for business.

Korea

- Business quarantine in Korea has eased up
- One day quarantine with prepared paperwork and PCR test before arrival in Korea
- 180K Omicron infections reported as of February 23rd

V. MANAGEMENT'S REPORT


Global Marketing Director Nadine Leon Guerrero reported the following on behalf of Management:

Report of Management




President & CEO Carl Gutierrez
Vice President Gerry Perez

Additional Resources



- Able to secure funding for specific projects with the support of Governor LG
- Plan is to use \$6.5M of the existing \$20M earmarked for a special project and be reimbursed to restore the fund


Additional Funds



- Restore Aug and September (FY2021) allotment
- The \$644,430 will bring the Japan budget up to \$3.5M
- Building Fund for much needed renovations that have been put off to be added to the existing FY2009 \$34,710 (\$250K)
- Update of village signage
- Rain Shelter for the top of 14A (JFK/Kmart HW)

	Budget
FY21 Aug/Sept allocation	\$ 3,284,864
Japan Market	\$ 644,430
ASD past and future incentives	\$ 2,700,000
Building Fund	\$ 114,200
Village signs	\$ 95,000
JFK bill rate shelter	\$ 128,000
Destination Development	\$ 518,414
PCA Testing	\$ 716,000
Dresses & Brackets	\$ 500,000
TOTAL	\$ 6,500,000

Japan budget



- Japan Budget - Board approved \$4,000,904 (\$2M from FY22, \$2M from FY21 unspent/unallocated funds)
- FY21 - \$2M only existed on paper
- Missing Aug & Sep allotment reduced Japan budget
- Expenses at fiscal year end exceeded allotments by \$210,198

Additional funds	\$ 1,064,864.00
FY2021 overspend	- \$ 210,198.00
Balance	\$ 854,666.00
Additional funds	+\$644,430.00
FY22 budget	+\$2,000,904.00
Japan Market Budget	\$3,500,000.00

Questions & Discussion:

Additional Funds

Director Shinohara inquired about the source of \$6.5M

- Governor LG is working on the source


Japan Budget

Director Shinohara inquired about the \$210K Payables; why is it deducted?


- Allotments were received except for August and September
- The cash forecast at the time the budget was approved was overstated by \$210K

Director Ferguson requested clarification on the additional \$1M funds

- Questioned whether the August and September allocations were pulled from the \$6.5M in additional funding
- August and September allotments have not been paid out but are being drawn from another source of funding
- Partially the reason why they are giving us that much is to cover the \$1,064,864.00
- It will not be collected as an allotment; it was already paid for

Airline Incentive 

- To restart routes, increase frequency, show Guam's dedication to our airline partners, and increase regional connectivity
- Incentives for capacity paired with marketing dollars targeted with travel agents to rebuild Guam's arrivals
- Added bonus of encouraging import of goods to increase stability of the flights and goods on island
- Incentive would be offered for one month to jump start service while we rebuild demand

PCR Testing 

- \$750K plus balance of \$584K = \$1.3M for PCR testing
- Clinics on board to restart program
- Purchase orders being cut
- Date: Feb 28 - March 31, 2022
- Will monitor balance for possible extension

Questions & Discussion:

Airline Incentive

Director Ferguson inquired whether the airlines' plan will be discussed in the Air Service Committee and will they make recommendations

- The plan will be discussed in the committee
- Chairman Morinaga requires incentive details before making any recommendations

President Gutierrez spoke with Governor LG about giving GVB more funds to be competitive as far as airline incentives are concerned; the request is being considered.

PCR Testing

Chairman Morinaga inquired about the cost bases for PCR testing

- An RFI was conducted at the beginning of the program, and a general price agreement was made with all clinics
- Testing is for visitors, and clinics must show proof that the test was administered to incoming visitors
- Required copies of traveler's passport and flight information used as documentation for an audit trail
- The testing fee is \$175
- GVB can afford less than 7500 tests with the remaining budget
 - Unable to extend for a whole month
 - Board needs to decide where funding will come from if we announce that the program will last until the end of April

Director Ferguson inquired about the testing requirements for our source markets.

- Japan made changes by adding to their list clia or eclia as acceptable antigen tests
- Clinics provided the same price point of \$175 inclusive of all required paperwork

Chairman Morinaga is concerned that countries receiving returning residents will require testing before arrival

- An easy, effective, and beneficial method in testing returning visitors must be created

Director Shinohara is interested in figuring out a different range of testing and a mechanism to extend the program's life through the summer months to ensure substantial visitor numbers through the summer.

- Japan and Korea Committees have communicated this program's difference in their sales proposal.

Director Tani believes that timing is essential from a marketing standpoint

- Residents returning to their country of origin face high travel costs, including testing.
- Offering complimentary testing or discounted testing fees to tourists will boost the reopening of Guam tourism.
- Due to the Omicron surge, it appears it may take a few months before Japanese and Korean tourists will visit Guam.
- Considering the limited budget for PCR testing, it may be a good idea to start the program by targeting the reopening of tourism.
 - To prolong the program, another idea is to provide an ideal discount of about 50% instead of complementary testing.
- Upon reopening international tourism from eastern Asian counties, such as Japan and Korea, Guam has a great advantage to be selected as a first destination to restart international travel for its short distance and sound infrastructure compared to south Asian resort destinations.

Chairman Morinaga asked if we could openly negotiate pricing with clinics

- If the time comes that we are not able to subsidize 100% of the cost, possibly offering a certain discounted percentage to save travelers money would be beneficial, mainly due to the high price of traveling with family

Director Ferguson suggested discussing this with the Reopening Task Force


- Discuss all variables covering all conversation
- Formulate best possible plan after discussion
- Attempt to forecast the numbers for Fall

Director Shinohara reiterated the goals regarding PCR testing


- Get the program started
- The marketing team believes the program makes a difference
- Extend the life of the program as long as possible


With two testing options offered by clinics to visitors, Chairman Morinaga inquired whether the 24-hour option is higher in cost


- Eligibility requirements for the program
 - Must receive test results in 48 hours
 - Test result option is 48 hours or less
 - 2nd round testing - an individual only allowed to test once per week

Fandanña Friday 

- 85% of attendees came from the central area and northern regions of Guam
- 70% came with their families
- 56% of attendees were in a party of 3-5 people.
- 42% stated that the event was shared with them by social media.



Fandanña Friday 



February 2022

February 1-10, 2022 **Total: 1,828 (+137.9%)**

% Market Mix	Origin	2021	2022	% to LY
3.4%	Japan	23	62	185.2%
5.5%	Korea	24	100	184.1%
0.1%	Taiwan	0	2	-17.8%
0.4%	China	0	5	-
72.7%	US/Vietnam	555	1,375	138.5%
4.2%	Philippines	24	76	123.5%
0.00%	Hong Kong	0	0	-
0.2%	Russia	0	3	-

Calendar Year to Date 2022

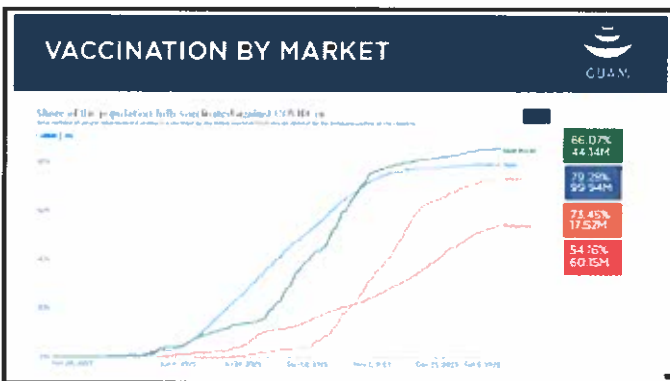
January - February 10, 2022 **Total: 10,721 (+102.6%)**

% Market Mix	Origin	2021	2022	% to LY
11.0%	Japan	729	1,379	61.7%
9.4%	Korea	135	1,005	628.0%
0.2%	Taiwan	10	25	27.8%
0.2%	China	11	25	127.8%
58.8%	US/Vietnam	3,521	6,700	76.4%
3.2%	Philippines	223	340	52.5%
0.02%	Hong Kong	1	3	200.0%
0.2%	Russia	3	22	633.3%

Fiscal Year to Date 2022

October - February 10, 2022 **Total: \$5,491 (+188.4%)**

% Market Mix	Origin	2021	2022	% to LY
5.4%	Japan	1,306	2,360	87.8%
20.0%	Korea	236	7,302	2307.6%
0.2%	Taiwan	85	106	22.8%
0.2%	China	24	85	258.3%
58.2%	US/Vietnam	4,285	10,581	123.5%
3.6%	Philippines	600	1,342	123.7%
0.0%	Hong Kong	0	0	0.0%
0.1%	Russia	14	26	157.1%



Japan Entry Protocols

On February 17, the prime minister said, "From March 1, we will gradually ease the framework of our border measures, while still maintaining the strictest standards among the G7 countries by adhering to basic conditions such as conducting inspections, monitoring behavior and setting quarantine periods for cases of high risk of spreading infections."

Key points for all general visitors:

- Quarantine period after entry:
 - The quarantine will be lifted if a negative PCR test is registered on 2nd day
 - Quarantine is required under the condition of the country of origin and the vaccination status
 - Maximum number of persons entering the country per day
- Expanded from 2,500 to 5,000 people
- New entry of foreign tourists
- Mass screenings, including human, and change details are about to be decided.

Japan Entry Protocols

◆ Quarantine after returning to Japan

- Starting March 1 (if traveling from a non hot spot)
 - Can use public transportation from airport
 - Able to quarantine at home or facility of their choosing
 - Reduction of quarantine to 3 days

Japan FAM

- #HereWeGuam Ambassador FAM
- Ms. Akiko and Mr. Takuya & 5 Creative Media Team
- Filming at Urunao w/ GVB Management

Coming up - HYPEBEAST Golf FAM

- HYPEBEAST Golf FAM
 - February 28 - March 4
- Participants
 - Erica & Reina (Hypebeast SM Influencers) Hypebeast Production team
 - GVB Team
 - Total 6 pax
- Feature Plan
 - Golf Courses, Restaurant, Beaches, Marine Activities etc. GVB Japan team to list up where should be featuring which relevant to Gen Z

Here We Guam Webinar

Objectives:

- Unify all stakeholders to create synergy to reinvigorate sales
- Disseminate New GVB's strategic strategy for 2022 to the entire Japanese travel industry

Key Message:

- Recovery Tourism that driving by new strategy

Project Scheme:

- Kick-off date: March 3, 2022
- Time: 9:00 AM to 2:00 PM (Guam Time)
- Target: Japanese travel agencies, GAs, airlines, media, GVB partners
- Expected number of participants: 300
- Include Live from Guam by representatives: Interwest Air Charter Japan

Expected ROI:

- Reinvigorate business relationships with travel agents
- Increase number of arrivals from Japan, goal achieved



AIR SEAT CAPACITY

2022 AIR SEAT CAPACITY PROJECTIONS

Carrier	Apr	May	Jun	Jul	Aug	Sep	Oct	Total
China Airlines	1,000	1,000	1,000	2,400	2,500	2,400	1,000	12,400
ANA	0	0	1,000	1,454	1,454	1,000	1,000	6,400
Starline Airlines	0	0	1,000	1,000	1,000	1,000	1,000	5,000
Total Seats	1,000	1,000	2,000	4,854	4,954	3,400	3,000	23,400

2022 AIR SEAT CAPACITY HISTORY BY AIRLINE

Carrier	Apr	May	Jun	Jul	Aug	Sep	Oct	Total
China Airlines	1,000	1,000	1,000	2,400	2,500	2,400	1,000	12,400
ANA	0	0	1,000	1,454	1,454	1,000	1,000	6,400
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FY2022 TOTAL SEAT CAPACITY (INCLUDING 24,000 SEATS)

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GUAM AIR SEAT CAPACITY PROJECTIONS

Comptroller's Report

February 24, 2022

Jose Villanueva
Director of Finance & Administration

TAF Tracking & GVB TAF Collection Updates

As of February 23, 2022

Carrier	Budget FY22	Actual FY22	% of Budget
China Airlines	12,400	12,400	100%
ANA	6,400	6,400	100%
Starline Airlines	5,000	5,000	100%
Total	23,800	23,800	100%

Average at 62% per month of TAF Collected from projections which is short by 37%

Marketing Dept. Budget for 1st Quarter Recap

Data extracted as of February 18, 2022

Item	Budget FY22	Actual FY22	% of Budget
Japan	1,800,000	1,800,000	100%
Guam	4,000,000	4,000,000	100%
Taiwan	1,000,000	1,000,000	100%
Pacific Micronesia	20,000	20,000	100%
North America	50,000	50,000	100%
New Market Development	20,000	20,000	100%
Philippines	100,000	100,000	100%
Saudi Arabia	200,000	200,000	100%
China/Hong Kong	200,000	200,000	100%
Printing & Production	20,000	20,000	100%
Total	4,310,000	4,310,000	100%

Cash Balance Recap Summary

as of February 18, 2022

Category	Amount
Current Bank Balance as of 02/18/22 Trial Balance	\$ 12,484,782
Add: Encumbrances from GVA	\$ -
FY2021 Allowance (August 21 - Sept 21)	\$ -
GVA Receivable - Tourism Lighting Improvements	\$ 88,500
FY2021 Allowance - January 2022	\$ 1,250,000
FY2021 Allowance - February 2022	\$ 1,700,000
Estimated Cash Available up to February 18, 2022	\$ 14,463,282
Less: Restricted Funds	\$ (2,038,300)
Trade Payables & Other Liabilities	\$ (611,200)
Encumbrances	\$ (2,536,420)
Encumbered Proposals in Progress - Marketing	\$ (525,500)
GVB BOD Committed Funding Balances	\$ -
Air Vandal V (Reconstruction and Vaccines)	\$ 254,000
McAfee Half Campaign	\$ 654,713
Market Recovery Efforts	\$ 1,882,085
PCR Testing	\$ 504,875
Holiday Elimination	\$ 280,000
GVA - FY2021 Committed Funding	\$ (1,150,000)
Net Estimated Cash Surplus/(Deficit) as of 02/18/22	\$ 11,881,150

Questions & Discussion:

Marketing Department Budget for 1st Quarter Recap

Director Ferguson had the following inquiries:

- Are the columns under spent and committed projects Board approved Q1 & Q2; yes
- Timing difference is what has been delaying projects

Board Meeting Minutes
February 24, 2022

- Korea projects were in motion when Korea changed their arrivals protocol
- Asked if it was safe to say that the unspent funds for Q1 & Q2 be will be available for reallocation purposes
 - Director of Global Marketing Leon Guerrero mentioned that while projects were delayed due to arrival protocols, meetings were held to discuss the projects.

Vice President Perez mentioned that waiting for the PCR testing amount was because the Board approved funds can be a source if we need to shift some funds instead of using them for PCR testing.

Director Shinohara shared open ideas in mind

- Most of our spending has been delayed due to much shifting and plans keep changing
- All budget allocations were at the beginning of the year based on forecasts
- Suggested giving the different countries all the fixed cost funds they need to run their country
 - Draw all resources into one holding place
 - Whatever country is likely to bounce back first should have the ability to pull from that source
 - Discussion for alternative solutions
 - If we can do something big, i.e. PCR testing, FAM Tour, etc. funds can be pulled from this pot
 - Whatever market needs to get going must get the right level of support
- Director of Global Marketing Leon Guerrero shared the following issues about the one-pot suggestion:
 - Ongoing negotiations with travel agents and other in-country travel trade partners
 - Assuming funds are on the way to assist them
 - Even if funds have not been committed, conversations have begun
- Director Ferguson stated that we have the 3rd and 4th quarters to make necessary adjustments if needed
 - Inquired about the timing of Q3 approval; delayed until March 10th
 - According to Leon Guerrero, all Q3 proposals and plans were presented to the different committees

Recap of Budget vs Actual – FY 2021						
DEPARTMENT/PROGRAM	BUDGET	% FUNDING	ACTUAL	ACTUAL vs BUDGET	% ACTUAL vs BUDGET	ACTUAL vs BUDGET (\$)
Administrations	3,188,899	49.88%	2,824,488	(364,411)	(11.43%)	(364,411)
Marketing	491,480	7.87%	374,346	(117,134)	(23.83%)	(117,134)
Japan	257,268	3.75%	187,743	(69,525)	(27.02%)	(69,525)
Korea	82,282	1.28%	47,596	(34,686)	(43.38%)	(34,686)
Taiwan	22,280	0.34%	16,353	(5,927)	(26.59%)	(5,927)
Pacific Micronesia	-	0.00%	-	88	88	88
North America	-	0.00%	-	-	-	-
New Market Development	32,600	0.51%	27,000	(5,600)	(17.18%)	(5,600)
Philippines	238,600	3.71%	208,353	(30,247)	(12.68%)	(30,247)
Hotel Website	238,600	3.71%	208,353	(30,247)	(12.68%)	(30,247)
Printing & Promotion	0.00%	0.00%	0.00	0.00	0.00%	0.00
Total Marketing	4,122,957	64.22%	3,508,887	(614,070)	(14.89%)	(614,070)
Research	298,000	4.64%	268,353	(29,647)	(9.95%)	(29,647)
Support & Systems	80,000	1.24%	41,667	(38,333)	(47.92%)	(38,333)
Cultural & Heritage	108,500	1.67%	88,353	(20,147)	(18.57%)	(20,147)
Visitor Safety & Satisfaction	688,500	10.73%	716,488	27,988	4.06%	27,988
Destination Development	272,500	4.24%	251,667	(20,833)	(7.65%)	(20,833)
Total Destination Development	1,518,500	23.53%	1,478,500	(40,000)	(2.63%)	(40,000)
Total FY 2021	6,146,357	94.28%	5,762,334	(384,023)	(6.23%)	(384,023)

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Questions & Discussion:

Recap of Budget vs. Actual - FY 2022

Director Shinohara inquired whether today's actual expenses were paid out in cash or included accruals for expenses in the same period.

- According to Director of Finance Villanueva, the actual shown on the report includes actual invoice posting and accruals. However, there may be expenses respective departments have yet to receive.
- January has not been closed yet
 - A portion is still accruing because we are still receiving several invoices related to January

- o Presentation of the Recap of Budget vs. Actual – FY 2022 is the best running total of actual expenditures on our record
- Director Shinohara asked how long it took to close the books.
 - o The deadline to receive expenses is the 20th of the following month
 - o Vendors under contract must submit invoices by the 15th for review and processing payments. Closing deadline is on the 20th and is posted by accounting.

Restricted Fund Summary		
Schedule # 1		
Restricted Fund Summary		
TR1	Bank of Guam - Rainy Day Fund	\$ 5,005
TR2	Bank of Guam - Cultural & Sports Ambassador Fund	\$ 168,127
TR5	FY 2011 Other (PL 30-196) (Reconst. Phase 1 & 2 San Vito)	\$ 182,138
TR6	GVB Cruise Ship	\$ 37,454
	American Rescue Plan Act 2021	\$ 20,000,000
	Membership Funds	\$ 143,478
TOTAL		\$ 20,536,201

Air V & V Spending Summary		
Schedule # 2		
Recap of Air V&V		
Board Approval 06/24/21		\$ 1,000,000
Less: FY21 Expenses incurred to date	(124,800)	
FY22 Expenses incurred to date	(61,020)	\$ (185,820)
Less: Encumbrances		
On Accounts Payable Aging	-	
On Purchase Order FY22	(16,280)	
On Contracts FY22	-	\$ (16,280)
Transfer to Hafa A dai Half Campaign BOD 08/26/21		\$ (600,000)
Available Fund Balance		\$ 214,181
Less: Known committed project		\$ (214,181)
Net Available Fund Balance		\$ -

Questions & Discussion:

Air V&V Spending Summary

Director Shinohara asked what the balance was committed to

- According to Leon Guerrero, one was committed to the trollies the others she will look into and confirm

Hafa A dai Half Campaign Spending Summary		
Schedule # 3		
Recap of Hafa A dai Half Campaign		
Board Approval 06/24/21		\$ 1,600,000
Transfer from Air V&V BOD 08/26/21		\$ 600,000
Transfer to PCR Testing		\$ (600,000)
Total Adjusted Committed funding		\$ 1,600,000
Less: FY21 Expenses incurred to date	(1,130,188)	
FY22 Expenses incurred to date	(5,100)	\$ (1,135,288)
Less: Encumbrances		
On Accounts Payable Aging	-	
On Purchase Order FY22	-	
On Contracts FY22	-	
Transfer from		
Available Fund Balance		\$ 464,712
Less: Known committed project		\$ (464,712)
Net Available Fund Balance		\$ -

Market Recovery Spending Summary										
Schedule # 4										
Market Recovery										
Governmental Funds (includes State & Unassigned Cash)	1,000,000									
Adm: Rainy Day Fund Balance 50% Board Approval	621,489									
Adm: Rainy Day Fund Balance 50% with Legislative Appro	638,664									
PCR One Day Board Approval Addition	1,481,774									
Total Available	3,742,127									
Less: Expenses Incurred FY20		1,076,990	236,690							1,313,680
Expenses Incurred FY21		(388,474)	(24,348)	(28,304)	(163,378)	(280,274)	(1,000)			(885,798)
Expenses Incurred FY22		(93,823)	(205,302)	(7,340)	(24,825)	(90,000)	(8,842)			(427,332)
Adjustment Available, BOD 8/26/21 (transferred to PCR)										
Total Expenses Incurred		(1,463,187)	(476,340)	(35,644)	(188,203)	(770,546)	(10,842)			(2,904,722)
Less: Encumbrances										
On Purchase Order FY22					(12,795)		(11,988)		(880)	(25,563)
On Contracts FY22					(20,562)					(20,562)
Total Encumbrances on Projects					(33,357)		(11,988)		(880)	(46,235)
Less: Known Committed Funds on Projects										(46,235)
Net Available Fund Balance										1,271,110

Questions & Discussion:

Market Recovery Spending Summary

Director Shinohara asked if we have a plan for the unspent \$1.3M in Market Recovery

- According to Leon Guerrero, the majority of those funds are for Destination
 - o VSOs; special circumstances
 - o Subsector support campaigns
 - o In-country research

PCR Testing Spending Summary

Schedule # 5

Recap of PCR Testing Program			
Board Approval 09/09/21		\$	1,000,000
Transfer from Halo Adai Hair Campaign		\$	600,000
Total Adjusted Committed Funding		\$	1,600,000
Less:	FY21 Expenses incurred		-
	FY22 Expenses incurred	(712,775)	\$ (712,775)
Less:	Encumbrances		
	On Purchase Order FY22	(292,250)	
	On Contracts FY22		(292,250)
	Transfer from		\$ -
Available Fund Balance			\$ 594,975
Less:	Known committed project (PCR testing on clinics)		\$ (594,975)
Other Known Committed Funding			
Encumbered But Undisbursed Fund			\$ -

Other CAPEX Committed Funding

Schedule # 6

Other CAPEX Committed Fund		
C3	Lighting Improvement & Maintenance	\$ 1,140,812
C4	Median Uplighting	\$ 44,582
C7	Stormwater Management System Phase II	\$ 20,000
C8	San Vitores Flood Mitigation Projects (Net of encumbrances)	\$ 1,177,071
C11	Administration (Training & Accounting & HR Platform)	\$ 19,362
BLDG001	FY 2009 Admin Repairs & Maintenance - Facility Enhancement (GL)	\$ 134,710
Total		\$ 2,536,537

Other CAPEX Committed Funding

Schedule # 7

Prior Board Approved Funding		\$	200,000
Total Adjusted Committed Funding		\$	200,000
Less:	FY21 Expenses incurred to date		-
	FY22 Expenses incurred to date		-
Less:	Encumbrances		
	On Accounts Payable Aging		-
	On Purchase Order FY22		-
	On Contracts FY22		-
	Transfer from		\$ -
Available Fund Balance			\$ 200,000
Less:	Known committed project		\$ -
Net Available Fund Balance			\$ 200,000

Staffing Pattern

as of February 18, 2022

Employment Type	FY21		FY22	
	Total	Total	Total	Total
Classified	37	30	30	30
Filled	34	34	34	35
Vacant	3	5	5	4
Unfilled Term Appointment	4	4	4	4
Filled	4	4	4	4
Vacant	0	0	0	0
Undesignated	3	3	3	3
Filled	3	3	3	3
Vacant	0	0	0	0
Grand Total	64	64	66	65

- > Retired Employee Count – 20
- > Vacancy Filled: Marketing & Promotions Officer I by February 14, 2022
- > Resignation/Separation from Employment: Marketing & Promotions Officer II by March 15, 2022



Questions & Discussion:

Other CAPEX Committed Funding (Schedule #7)

Director Shinohara asked to clarify whether the \$200K committed funding for the Holiday Illumination as Director of Finance Villanueva mentioned is for the past Christmas or this Christmas

- Christmas this year
- Management requested the Board to roll the funding over to the next New Year and Liberation because we did not receive any solicitations, and there was no response because of the time frame.
- President Gutierrez mentioned that the \$200K was being saved for July; \$500K was received and in holding

Disbursements Over \$24,999

(July 20, 2021 - February 18, 2022)

Approved as part of the FY22 budget. Presented for purposed of BOD meeting disclosure.

Type of Payment	Amount	Document Count
Contract	\$ 1,651,329	29
Familiarization Tour	\$ 60,216	2
GEDA Street Light Project	\$ 72,000	1
H&H Campaign - Air Incentive Programs	\$ 1,116,188	13
Liberation Day Program	\$ 102,500	2
PCR Testing	\$ 560,000	9
Retiree Benefits	\$ 133,462	3
Subscription	\$ 30,235	1
Vehicle Purchase	\$ 42,875	1
Yaso Park Desk, Rendevous	\$ 27,000	1
Grand Total	\$ 3,795,804	62

Admin & Finance Update

- FY 2021 Audit on-going
- Compensation & Classification Study On-going, 1st report is expected by end February 2022
- GVB Tumon Beautification Account research was put on hold pending BOD Secretary appointment & BOD Minutes.
- ARP \$20M, 4 CDs responses from financial institution pending decision from President & CEO
- Vehicle purchased for GVB – Pick-up Truck; funds purchased were charged to Destination Development operating fund.

Motion to spend \$6.5M additional funding



Motion to approve the breakdown of expenditures for the \$6.5M additional funding that will be received by GVB and for the President and Chief Executive Officer as Chief Procurement Officer to solicit as applicable through IFB/RFP for various projects per breakdown of expense:

Background:

PARTICULARS	BUDGET	BALANCE
Additional Allotment		\$6,500,000.00
(FY21) Aug/Sept Allocation	\$1,064,864.00	\$5,435,136.00
ASD Past Incentives	\$1,700,000.00	\$3,735,136.00
Japan Market	\$644,430.00	\$3,090,706.00
Building Fund	\$115,290.00	\$2,975,416.00
Inarajan	\$95,000.00	\$2,880,416.00
JFK Hill Rain Shelter	\$120,000.00	\$2,760,416.00
Destination	\$510,416.00	\$2,250,000.00
PCR Testing	\$750,000.00	\$1,500,000.00
ASD Incentive (P)	\$1,000,000.00	\$500,000.00
Drones/Fireworks	\$500,000.00	

Cost Estimate: \$6,500,000

Funding Source/Account: Anticipated Additional Allotment to GVB

Action Required: Board Approval Required



Director Shinohara made a motion to approve the breakdown of expenditures for the \$6.5M additional funding that will be received by GVB and for the President and Chief Executive Officer as Chief Procurement Officer to solicit as applicable through IFB/RFP for various projects per breakdown of expense. **Motion amended.**

Director Shinohara made a motion, seconded by Director Tani, to approve all of the projects listed below except for the Building Fund project and to authorize the President and CEO as Chief Procurement Officer to solicit as applicable through IFB/RFP for projects listed below. **Motion approved.**

Background:

PARTICULARS	BUDGET	BALANCE
Additional Allotment		\$6,500,000.00
(FY21) Aug/Sept Allocation	\$1,064,864.00	\$5,435,136.00
ASD Past Incentives	\$1,700,000.00	\$3,735,136.00
Japan Market	\$644,430.00	\$3,090,706.00
Building Fund	\$115,290.00	\$2,975,416.00
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Destination	\$510,416.00	\$2,250,000.00
PCR Testing	\$750,000.00	\$1,500,000.00
ASD Incentive (P)	\$1,000,000.00	\$500,000.00
Drones/Fireworks	\$500,000.00	

Cost Estimate: \$6,500,000.00

Funding Source/Account: Anticipated Additional Allotment to GVB

Action Required: Board Approval Required

Questions & Discussion:

- President Gutierrez shared a description for each item listed under the particulars
- Vice President Perez mentioned that we have a lot of destination development initiatives that were not passed in Bill 200. Therefore, this is an attempt to cover some of these initiatives.
 - EIC received; one of the sources of funding that the Ways & Means Committee was contemplating concerning Bill 200.
 - According to Director Shinohara, there are restrictions, and it is being reserved for next year's EITC
 - As per President Gutierrez, because Bill 200 did not pass, we are trying to figure out how to fund some upcoming ideas we have for Destination and to promote activity in Tumon as well as upkeep the area
- Director Shinohara asked how was the August/September Allocation deductive of the \$6.5M
 - It brings us current

- According to President Gutierrez, GVB counted on the \$1.64M committed to us by Governor LG that we never received. Governor LG came up with the \$6.5 to make good on their commitment to release the August & September allotments. In this case, it was how we justified the funds needed.
 - The impact without the \$1.64M reduces Japan's budget to \$2M
- Chairman Morinaga inquired about the trivision signage for the Inarajan project.
 - Sign owned by the Inarajan Mayor
 - Power cost, maintenance, etc. is in the Mayor's budget
 - Mayors provided the figure
 - Requested the signage, and they have everything else covered
- President Gutierrez mentioned that some of our plans to move our destination into a cultural aspect of tourism require the mayors' participation.
 - GVB has been meeting with the mayors regularly
- Will aggressively seek proposals for the drones and fireworks
 - Anticipating drone shows once a month at Tumon Bay
- \$200K is still available for New Year
- Director Shinohara would like to find a way to prioritize the spending
- Director Tani inquired if we have a budget to boost our marketing efforts; the conversation is ongoing
- \$500K was explicitly provided for the drone and fireworks show
- Chairman Morinaga asked if there is a budget set aside for security cameras in Tumon
 - A legislative budget of \$200K was available for security cameras; GPD said they used the funds, and we are looking into it
 - Looking to Senator Shelton to introduce a bill to give us something more for security
- Critical line items as mentioned by Director Shinohara are:
 - \$1,064,864.00 – source for Japan Market
 - Airline incentives to get the markets started
 - Balance for the Japan Market funds
 - PCR testing
 - \$500K specific request from Adelup
 - Suggested other items can be tabled for future conversation as we reconcile some of what is outstanding; pull the funds together, and figure out how to best allocate those funds
- President Gutierrez stated that the \$95K for Inarajan could cement our relationship with the Mayors Council and the push to move forward with cultural tourism and mentioned that tourists and residents alike would benefit from the bus shelter
- Director Shinohara believes that getting people into our island is an immediate need
 - Would like to push the critical items for us and continue the discussion on the less critical items
- President Gutierrez spoke about tourism working for our people and their ability to see it; if it works, we must put our money into it.
 - We ask for something concerning tourism (cleaning bathrooms, etc.) and should be able to give back to the community as well
 - Most of the funds have gone to marketing for the source markets
 - Vice President Perez mentioned that one of Inarajan mayor's key objectives to place on the electronic sign is all the features of the Inarajan people and the cultural experiences that the different villages can offer; a way to provide our visitors with added value
- Vice Chairman Shimizu applauded President Gutierrez's efforts
 - Facilities need to be upgraded, which mayors cannot do alone
 - Rain shelter is just as crucial as putting funds into the Inarajan project
 - Upgrades are in place of the preparation and return of our visitors
 - Suggested that while the funds are available, we should use them correctly
- Part of President Gutierrez's pitch in requesting funds we received was mentioning several of the listed projects

- Vice Chairman Shimizu recalled the bus tour in 2021 when GVB directors went around the island to observe some of Guam's tourist spots
 - Directors discussed bathroom cleanliness and maintenance
 - Inarajan, Ipan, and Talafofo Bay bathrooms are Parks & Recs; they do not tap into GVB's budget but take from the TAF allocated by the legislature
 - Bathrooms need to be managed 24hours; they've done it this way in the past with security, cutting costs on maintenance, according to President Gutierrez
 - Parks & Rec must go through GSA receive clearance from the AG after the bid
 - Ypao bathrooms have been held up for almost a year and have not gone through the AG; currently locked and inoperable.
 - We have our procurement and legal counsel, a designated staff of the AG. We can get things done quicker and easier than it being held up for a year
 - DPR is reconsidering and asked us to hold off on the MOA because GSA came out with a winning bid that has been sitting at the AGs office
- \$120K budget for the JFK rain shelter is the cost to build; in communication with GPD regarding the building behind it without a roof. GPD is open to giving it to GVB to fix it up later.
- Per President Gutierrez, we can temporarily do without the building fund, and it can be pushed aside for now; would like the Board to approve everything listed except the building fund
- Reconcile on the Q3 & Q4 requests and figure out how to adjust in support of any of the targeted initiatives

VI. REPORT OF THE BOARD COMMITTEES

A. EXECUTIVE COMMITTEE

- No issues

B. ADMINISTRATION & GOVERNANCE

- Nothing to report

C. REOPENING TASK FORCE

- Director Shinohara provided an update of the Task Force meeting on February 17th.
- President Gutierrez announced that GVB received \$6.5M
- Management proposed a spending plan, shared in the Management's report
- Board to officially approve a spending plan

D. AIR SERVICE DEVELOPMENT

Committee Minutes - January 25, 2022

EXHIBIT B

E. TAIWAN

- Covered in Management's report

F. DESTINATION MANAGEMENT/VISITOR & SAFETY SATISFACTION

- Management covered most of the updates in their report
- Investing significantly in the destination, as seen in the project list

G. RESEARCH / MEMBERSHIP

- Nothing to report

H. SPORTS & EVENTS

- Nothing to report

I. JAPAN

- Committee Minutes - February 15, 2022
- Majority of the report was covered in Management's report

EXHIBIT C

Japan Market Updates

- 80,364 cases have been reported nationwide as of February 23rd
- Vaccination rate: 79.1% nationwide
- MOFA Travel advisory to the US remains Level 3 (Avoid all travel), including Guam
- Japan entry restriction: 3 days quarantine at Government Facility (paid by Japan government) and home quarantine for the remaining dates (4days).

Monthly JMC Meeting

- February JMC Meeting: Tuesday, March 15, 2021, at 2:00 PM

J. KOREA

- Committee Minutes - February 15, 2022 **EXHIBIT D**
- Management covered most of the report
- Waiting to see the outcome of the March 9th election and announcements after it
- High infection & vaccination rates

K. NEW MARKETS

- Nothing to report

L. NORTH AMERICA, PACIFIC & PHILIPPINES

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EXHIBIT E

- Nothing to report

VII. OLD BUSINESS

- No Old Business

VIII. NEW BUSINESS

Chairman Morinaga received a resignation letter on January 10th from Director Stephen Gatewood

- Chairman Morinaga read an excerpt on filling the vacant position as an elected director.

Enabling Act 12GCA CH9 §9106 (G)

"A vacancy on the Board (whether created by resignation or removal) of an elected member shall be filled by selection by at least two of the remaining elected directors. An elected director filling a vacancy shall serve only until the end of the term of the director whom he replaced."

Three remaining elected directors, Director Ferguson, Jones, and Tani, made their selection to

- Director Ferguson nominated George Chiu to replace Director Gatewood
- Director Tani supports the nomination of George Chiu to fill the vacant position
- Director Jones concurred with the nomination

On behalf of the elected directors, Director Ferguson announced that George Chiu has been selected pursuant to 12GCA CH9 §9106 (G) to replace Director Stephen Gatewood. Director Gatewood's replacement shall be George Chiu, who shall serve until the end of Director Gatewood's current term.

- Mr. Chiu looked forward to working with all the members of the Board of the Guam Visitors Bureau

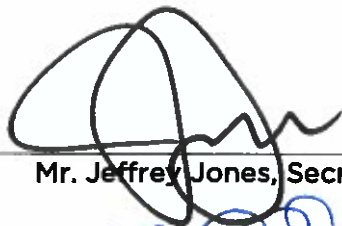
IX. ANNOUNCEMENTS

Upcoming Board Meetings:

- March 10, 2022
- March 24, 2022

X. ADJOURNMENT

Vice Chairman Shimizu made a motion, seconded by Director Ferguson, to adjourn the Board of Directors regular board meeting at 3:29 pm. Motion Approved.



Mr. Jeffrey Jones, Secretary of the Board of Directors



Board Minutes respectively submitted by Valerie Sablan, Executive Secretary