

REGULAR BOARD OF DIRECTORS MEETING MINUTES

Thursday, March 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 1:31 p.m. with a quorum being present.

II. ROLL CALL

In-Person: Milton Morinaga, Laura Cepeda, Ho Eun, Ben Ferguson, Jeff Jones, Sam Shinohara, Flori-Anne Dela Cruz, George Chiu

Absent: Paul Shimizu, Sonny Ada, Derrick Quinata, Rudy Paco, Akihiro Tani

III. MINUTES OF THE PREVIOUS MEETING

EXHIBIT A

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

IV. CHAIRMAN'S REPORT

- Chairman Morinaga addressed the Board of Directors and Management
 - GVB is a membership organization
 - The GVB Board is an all-volunteer board that represents a cross-section of Guam's community, GVB members, and the people of Guam
 - Tasked to hold GVB's Management physically and operationally accountable and on mission with its available resource
 - Remains steadfast in good judgment
 - Pledges to continue to work with Management
 - expressed his view on upper Management's unwarranted comments and accusations aimed at the GVB Board
 - welcomes the independent review, scrutiny, or audits
 - encouraged the team to put aside personal and petty politics and work together for the people of Guam
 - faced with the enormous task to reopen our tourism economy with great urgency
 - negative rhetoric is a distraction from accomplishing the mission to prepare for Guam's two top markets, Japan and Korea
 - Korea tourism to return in a few weeks
 - Energy should be spent upgrading products & appearance and rebuilding our tourism industry
 - Source markets are watching us
 - The top priority is to restore Guam's tourism economy
 - Employ 10K+ residents

V. MANAGEMENT'S REPORT

- President Gutierrez thanked Chairman Morinaga for admonishing Management with the understanding that the admonishment was mainly aimed at him.
- He pointed out that he has a fiduciary responsibility to the People of Guam, not the Board
- In his two-year tenure with GVB, he has witnessed and constantly observed blatant abuse of the Open Government Law and ethical violations.
 - GVB has records of the abuse and violations
 - President Gutierrez openly stated that one "cannot come in here as an airline owner or hotel owner and vote on incentives that go to this hotel or that airline and not recuse yourself."
 - The Board tells Management where to allocate the money
 - Money is taken away from the destination and the community then given to airline incentives
 - President Gutierrez will not shirk his responsibility to allow the People of Guam's millions of tax dollars to be dictated by board directors who have special interests and inherent conflicts; one who owns a hotel and votes for a hotel incentive is inherently conflicted
 - All non-appointed members are not required to submit a financial disclosure report, nor do they have to reveal they have a conflict of interest
 - Only eight individuals appointed by the Governor of Guam or Legislature submit a statement documenting they have no conflict of interest to the Guam Election Commission.
 - He questioned why those not appointed are exempt from doing so.
 - The law doesn't necessarily allow the members to shirk the non-appointed director's responsibility and for them to continue to vote for incentives that affect the companies that a director works for or owns.
 - Funds belong to the People of Guam
 - Board Directors are obligated to recuse themselves when dealing with funds that deal and affect their businesses
 - Board directors meet in secret to determine the outcome of what's going to go on in a board meeting
 - Director Ben Ferguson told President Gutierrez by phone that he had been speaking with Director Sam Shinohara all morning about how to deal with the Korea Market. Director Ferguson interjected that the conversation was about PCR testing. President Gutierrez had further stated that there was a witness in the room who heard the conversation. Director Shinohara explained that he had a conversation with Mr. Ferguson at the Recovery Task Force meeting, where they spoke about PCR testing for returning travelers.
 - President Gutierrez stated that it is against the law for two directors to speak with each other or have a chance meeting outside to discuss GVB matters.
 - President Gutierrez directly told Director Sam Shinohara that he should recuse himself or say that he is not voting on anything with airline incentives. Director Shinohara mentioned that he has not voted on any airline incentives. President Gutierrez said that there was not one vote where a no came up that had to do with airline incentives, that Shinohara acceded it. Director Shinohara asked if President Gutierrez ever remitted any checks to the airlines where he is employed. President Gutierrez has seen the 2019 report that shows United Airlines received almost \$380K in incentives. PHR chartered an aircraft with nearly \$500K in incentives, and board directors that had a conflict of interest did not recuse themselves.
 - Director Shinohara is committed to working with Management; believes President Gutierrez is defensive with actions taken by the GVB Board.
 - Stated that there was never a motion for a specific airline incentive that was brought to the board
 - The committee handles it
 - In general, the budget is approved and put forward by the management team
 - President Gutierrez continued to speak about GVB's Board being an Advisory Board and why directors voted in by membership choose not to submit their financial disclosure. Shinohara mentioned that it is not a requirement for them to submit a financial disclosure. Gutierrez spoke about how the GVB's Advisory Board is running the Management of this administration.
 - President Gutierrez told the Board that he would publicly call out a violation each time he saw it occur between the membership

Report of Management



President & CEO Carl Gutierrez
Vice President Gerry Perez

Destination Management



VSO PROGRAM

VSOs assisted a person in need with connecting with the appropriate agencies for assistance

Thanks to their efforts and through the support of OHAPP Mr. Tyler Smith was given the help he needed and is back on his feet

Streetlights



- Streetlight and sidewalk safety improvements
- No responsive bids received, twice issued bid invitation
- Have since engaged GPA for assistance, address immediate needs
- GPA completed assessment and required materials



Assessment Summary

Working	398
Not working	123
Repaired	64
Pending repair	59
Total Lights	521

- GVB in the processing of procuring materials

Calendar Year to Date 2022



January - March 13, 2022

Total: 18,828 (+106.5%)

% Market Mix	Origin	2021	2022	% to LY
7.8%	Japan	1,000	1,481	48.0%
7.4%	Korea	229	1,386	506.2%
0.2%	Taiwan	21	40	90.0%
0.2%	China	20	39	95.0%
63.7%	US/Hawaii	6,297	11,984	89.6%
4.1%	Philippines	389	766	96.9%
0.1%	Hong Kong	2	10	400.0%
0.1%	Russia	5	22	340.0%

Fiscal Year to Date 2022



October - March 13, 2022

Total: 43,624 (+170.5%)

% Market Mix	Origin	2021	2022	% to LY
6.8%	Japan	1,468	2,672	82.0%
17.2%	Korea	386	7,482	1838.3%
0.3%	Taiwan	89	122	37.3%
0.2%	China	33	100	203.0%
67.9%	US/Hawaii	13,351	25,275	138.7%
4.1%	Philippines	766	1,768	130.8%
0.0%	Hong Kong	12	18	60.0%
0.1%	Russia	16	26	125.0%

FY 2022 Actual Vs. Projected Arrivals



Month	Projected	Actual	% Diff
Oct	4,562	4,486	7.6%
Nov	6,086	6,616	46.0%
Dec	7,849	8,764	10.3%
Jan	8,933	9,060	1.4%
Feb	8,371	7,002	-16.4%
Mar	9,109	2,738*	-69.9%
Apr	12,665	-	-
May	12,540	-	-
June	12,884	-	-
July	14,870	-	-
Aug	16,239	-	-
Sep	14,040	-	-
Total	139,000	43,624	

Promising Indicators for Recovery



- Travel protocols relaxed for vaccinated returning residents in Korea, Japan, and the Philippines
- Korea and Philippines exempting self-quarantine for vaccinated residents
- Hana Tour overseas reservations up +94% (March first 10 days)
- Pacific region (Guam and Saipan) accounting for 36%, Europe 23% and Americas 21%
- United two extra flights Sat/Sun to current daily service adding 1,328 seats May 7 - June 2
- JAL service possibly June / July, conditioned on MoFA level 2 designation and group/package sales by JALPAK and JTB

Seat Capacity

Jan - Jul 2022



Seats per Country	Jan	Feb	Mar	Apr	May	Jun	Jul
Japan	5,146	4,648	5,146	4,980	6,474	16,872	46,042
Korea	6,828	3,348	4,653	15,539	33,336	31,882	28,942
Taiwan	-	-	-	-	-	1,000	1,240
Philippines	7,733	4,439	8,320	8,358	10,529	10,850	11,315
Other	18,884	17,436	18,984	18,800	18,482	24,444	26,022
Total	28,591	25,871	27,113	49,677	72,720	107,998	125,261

Source: Diio I6 Market Intelligence of the Aviation Industry

Seat Capacity



	Japan	South Korea	Taiwan	Philippines
April	4,980	8,373	0	9,258
May	6,474	22,294	0	10,519
June	4,980	28,067	1,264	30,950
TOTAL	16,434	58,534	1,264	30,827

- Scheduled airlift seats to date in Q-3 (will drive short term marketing priorities)
- Korea 58,534
- Philippines 30,827
- Japan 16,434
- Taiwan 1,264

Source: in-country market intelligence

Marketing Q3 Funding



- Emerging opportunities developing quickly, need agility in marketing investments
- Priority for Korea, Japan, and Philippines with no quarantine requirements for qualified travelers
- Market conditions and/or scale of other markets (i.e. Taiwan)
- Korea can ramp up tactical campaigns, Japan not far behind
- Need board authorization for management flexibility in spending marketing funds based on timely returns from source market opportunities

Travel Protocols



SOUTH KOREA

RETURNING KOREAN NATIONALS

NO QUARANTINE

- Fully vaccinated in Korea (14-180 days) or boosted travelers
- Fully vaccinated in Korea recently recovered from COVID-19 travelers
- Fully vaccinated in another country (14-180 days) or boosted travelers
- Children 5 years old and below are exempted

QUARANTINE

Unvaccinated nationals will be required to quarantine for seven (7) days

REQUIREMENTS

- Negative PCR test result conducted within 48 hours before departure
- COVID recovery - present official document of recovery; if recovered between 10-40 days, no PCR test requested before boarding after 40 days, PCR test required
- Must register COOV app
- Upon arrival must take a PCR test within 24 hours and antigen test on day 6 or 7 (covered by the Korean government)

Travel Protocols



JAPAN

RETURNING JAPANESE NATIONALS

NO QUARANTINE

- Traveler entering/returning to Japan from Guam (a non designated country/region) AND has received three vaccination doses AND test negative at the airport is exempted from quarantine

QUARANTINE

Traveler entering/returning to Japan from Guam (a non designated country/region) AND has not received three vaccination doses is subject to a 7-day home quarantine (if the voluntary test on day 5 is negative, an exemption is issued from further isolation).

REQUIREMENTS

- Negative result of COVID-19 test conducted within 72 hours prior to departure (RT-PCR, LAMP, TMA, TRC, Smart Avisa, NEAR, Next Generation Sequence, CLEIA/ECLIA)
- Submit a written pledge that you will follow the Japanese authorities requirements and fill out questionnaires
- Install mobile application (MySOS, Google Maps, COCOA; travel insurance for COVID-19 related issues recommended)

Travel Protocols



TAIWAN

RETURNING TAIWAN NATIONALS

QUARANTINE

- All travelers will be quarantined for 10 days at a self paid facility or home isolation
- Practice self-health management for 7 days and take a rapid antigen self test on the 2nd and 4th day

REQUIREMENTS

- Negative RT-PCR test result conducted within two calendar days prior to the flight schedule time
- Fill out electronic health declaration form prior to departure via Quarantine System for Entry
- Arrange quarantine accommodation (a quarantine hotel or facility where they plan to stay at their own expense) before returning

Travel Protocols



PHILIPPINES

RETURNING PHILIPPINE NATIONALS

NO QUARANTINE

- Fully vaccinated nationals
- Children below 12 years who cannot be vaccinated shall follow quarantine protocols of the parent or accompanying adult/guardian

FACILITY-BASED QUARANTINE

Unvaccinated, partially vaccinated, unverified nationals are subject to a facility-based quarantine until release of negative results (5th day swabbing); self-monitor until 14th day of arrival

REQUIREMENTS

- Negative RT-PCR test result taken within 48 hours prior to departure from Guam
- OR a negative laboratory-based antigen test result taken within 24 hours prior to departure from Guam
- Register with the One Health Pass prior to arrival
- Self-monitor for any sign or symptom until the 7th day from arrival

FY2021 Audit



- Wrapping up this month, OPA schedule
- Clean audit opinion
- Management letter - 3 items
 - Need to tidy up procurement related documentation
 - Receivable reconciliation, late DOA receivable
 - More fees related to electronic declaration transition (additional testing \$3,500-\$5,000)

SI YU'OS MA'ASE'



Questions & Discussion:

- Director Jones inquired whether the audit report was available for review.
 - The draft audit report will be finalized next week; the draft included in the director's binders



Tourist Attraction Fund Tracking

IN MILLIONS	
Budget TAF Projection	> 15.30
Adjusted TAF Projections	> 12.50
Actual as of February 2022	> 4.60
GVB Allotment Billed	> 7.30
GVB Allotment Received	> 4.80

Averaging at 58% per month of TAF Collected which is lower than projection by 28% based on tourist arrivals.

Tourist Attraction Fund Tracking:

- Vice President Perez recalled the last allotment, short based on TAF collections but obtained the full allotment needed from DOA.
- Director Shinohara mentioned that the over collections are to supplement the under-collected special funds, such as the TAF, as quoted by BBMR's director in a newspaper article. He questioned whether or not we should be overly concerned about not receiving our allotment.
 - Based on the last report and what Director Shinohara shared, Vice President Perez feels comfortable that GVB will receive close to the full allotment, if not the full allotment itself.

TAF Tracking & GVB TAF Collection Updates

As of March 31, 2022

Month	Budget FY22	Actual FY22	% of Budget	YTD Budget	YTD Actual	% of YTD Budget
January	1,200,000	700,000	58%	1,200,000	700,000	58%
February	1,200,000	800,000	67%	2,400,000	1,500,000	63%
March	1,200,000	1,000,000	83%	3,600,000	2,500,000	69%
Total	3,600,000	2,500,000	69%			

Averaging at 58% per month of TAF Collected which is lower than projection by 28% based on tourist arrivals.

Recap of Budget vs Actual - FY 2021

Adjusted based on final FY22 numbers.

DEPARTMENT/PROGRAM	BUDGET	% of Budget of Actual TAF Revenue	TAF Collected	ACTUAL	Balance in Public Law	Balance in Public Law
Administration	3,100,000	48.8%	1,500,000	(1,600,000)	1,500,000	1,500,000
Marketing	431,000	7.7%	270,240	(160,760)	(130,760)	(130,760)
Japan	237,210	3.7%	107,743	(129,467)	(129,467)	(129,467)
Taiwan	80,000	1.3%	67,000	(13,000)	(13,000)	(13,000)
Public Information	22,000	0.3%	18,500	(4,500)	(4,500)	(4,500)
North America	-	0.0%	-	0	0	0
Asia Market Development	-	0.0%	-	0	0	0
Philippines	22,000	0.3%	17,000	(5,000)	(5,000)	(5,000)
South Korea	200,000	3.2%	200,000	(0)	(0)	(0)
Global Events	200,000	3.2%	200,000	(0)	(0)	(0)
Printing & Promotion	-	0.0%	-	0	0	0
Total Marketing	1,202,210	19.7%	1,000,000	(202,210)	(202,210)	(202,210)
Research	250,000	3.9%	200,000	(50,000)	(50,000)	(50,000)
Sports & Events	30,000	0.5%	1,000	(29,000)	(29,000)	(29,000)
Cultural & Heritage	300,000	4.6%	60,000	(240,000)	(240,000)	(240,000)
Visitor Safety & Rehabilitation	600,000	9.3%	70,000	(530,000)	(530,000)	(530,000)
Destination Development	600,000	9.3%	(0)	(600,000)	(600,000)	(600,000)
Total Destination Development	1,500,000	23.5%	70,000	(1,430,000)	(1,430,000)	(1,430,000)
Total FY 2021	6,000,000	28.2%	2,500,000	(3,500,000)	(3,500,000)	(3,500,000)

Recap of Budget vs Actual - FY 2022

As of March 31, 2022

Department	Public Law Budget FY22	Actual Expense	Balance
Administration	\$ 3,900,000	\$ 1,400,774	\$ 2,499,226
Marketing	\$ 8,315,904	\$ 1,308,884	\$ 7,007,020
Research & Destination & Development	\$ 2,312,383	\$ 619,692	\$ 1,692,691
Total FY2022	\$ 14,528,287	\$ 3,329,350	\$ 11,198,937

Recap of Budget vs Actual - FY 2022

Data extracted as of March 31, 2022

DEPARTMENT/PROGRAM	TAF Collection	Public Law Budget FY22	Actual Expense to Date	Actual vs Public Law Allotment to Date
Administration	1,500,000	3,900,000	(1,400,774)	2,499,226
Marketing	1,000,000	8,315,904	(1,308,884)	7,007,020
Japan	107,743	237,210	(129,467)	(129,467)
Taiwan	67,000	80,000	(13,000)	(13,000)
Public Information	18,500	22,000	(4,500)	(4,500)
North America	-	-	0	0
Asia Market Development	-	-	0	0
Philippines	17,000	22,000	(5,000)	(5,000)
South Korea	200,000	200,000	(0)	(0)
Global Events	200,000	200,000	(0)	(0)
Printing & Promotion	-	-	0	0
Total Marketing	1,000,000	1,202,210	(202,210)	(202,210)
Research	200,000	250,000	(50,000)	(50,000)
Sports & Events	1,000	30,000	(29,000)	(29,000)
Cultural & Heritage	60,000	300,000	(240,000)	(240,000)
Visitor Safety & Rehabilitation	70,000	600,000	(530,000)	(530,000)
Destination Development	(0)	600,000	(600,000)	(600,000)
Total Destination Development	70,000	1,500,000	(1,430,000)	(1,430,000)
Total FY 2022	2,500,000	14,528,287	(3,329,350)	11,198,937

Recap of Budget vs. Actual - FY 2022:

- Director Shinohara asked Director of Finance Josie Villanueva to clarify what she meant by "actual expenses."
 - Month's end closing; entire financial closing as of February 28, 2022
 - "Actual expense" is how much was spent from October 2021 to February 28, 2022
- Director Chiu questioned the actual spend for Marketing of \$1.3M but on the slide *Marketing Dept. Budget for 1st & 2nd Qtr. Recap* (below), the funds spent are \$5.3M, and Fix Cost is \$1.5M. He asked how much was spent. It shows \$1.3M spent, noting that we should have \$8M remaining, yet the Director of Finance presented a balance of \$3.8M.
 - It includes the fixed cost; expenses that are expected to be paid at the end of FY 2022 (March - September 2022)
 - the *Marketing Dept. Budget for 1st & 2nd Qtr. Recap* slide is a projection of what could be and what could be flexed as possible Marketing opportunities
 - The spent line item, \$3.8M, includes the actual (as seen on the other slide) of \$1.3M and other committed projects
 - Director Chiu asked Josie where was the \$1.4M accounted for in the previous slide. Where is that spent?
 - This is actuals based on the three specific departments - Administration, Marketing, Research & Destination & Development
 - It is our actual spend for five months; we are not significantly behind on processing invoices
 - Vice President Perez mentioned it is close to \$4M
 - It is considered Marketing funds that could be fungible depending on where we have opportunities
 - It is a total that Management would need to deal with
 - would like the Board to give Management flexibility to deploy some of the funds based on what arises.
 - Timing is essential
 - An after-action report will be provided for each of them. Management needs the ability to trigger it.

Marketing Dept. Budget for 1 st & 2 nd Quarter Recap		CVAM	
Marketing Department Budget		\$	8,315,905
Add: Other Source		\$	854,666
Total Adjusted FY22		\$	9,170,571
Less: Fixed Cost	\$(1,459,200.00)		
Spent & Committed Projects	\$(3,867,320.00)	\$	(5,326,520)
Marketing Balance for Q3 (Estimated)		\$	3,844,051

Marketing Dept. Budget for 1 st & 2 nd Quarter Recap		CVAM						
Programs/Projects	Budget FY22	Actual FY22	Fixed Cost	Spent	Balance	Committed	Balance	Committed
Advertising	4,000,000	4,000,000	0	0	0	0	0	0
Events	4,000,000	4,000,000	0	0	0	0	0	0
Public Relations	20,000	20,000	0	0	0	0	0	0
Marketing Development	20,000	20,000	0	0	0	0	0	0
Marketing & Promotion	20,000	20,000	0	0	0	0	0	0
Total	8,040,000	8,040,000	0	0	0	0	0	0

Marketing Dept. Budget for 1st & 2nd Quarter Recap:

- Director Chiu inquired if the entire Marketing budget is \$8.3M for the whole year; yes
 - \$3.8M is the remaining balance we have for the remainder of the year
 - \$1.9M is left to spend for the remaining two quarters
 - Excludes any campaigns or programs presented by the Director of Finance Villanueva
 - Vice President Perez mentioned that some expenses are already vetted for this fiscal year; contracts with our Marketing reps
- Director Chiu inquired about the available amount of spending money we have for the remaining six months to promote Guam and bring back our key markets, Japan and Korea

- o According to Nadine LG, we have a little over \$4M that has not been approved
 - Though the Board approved projects for Q1 & Q2, as noted, even with the intent of the Q3 motions on the agenda, we can push things back or ramp things up if necessary.
 - Director Shinohara mentioned that there is money that has not been spent from the first and second quarter
 - What are the total available funds to be spent?
 - About \$900K unspent for Q1 & Q2 for all markets
 - Director Chiu mentioned we should have \$5M left to spend for the next two quarters; \$2.5M per quarter
- Director Chiu inquired about the amount spent on Marketing pre-pandemic
 - o \$15M for the year for maintenance

Cash Balance Recap Summary as of March 17, 2022 data		
Current Total Balance as of 03/17/2022 per Total Balance		\$ 31,812,051
Add: Allotment Receivable	\$ 3,632,073	
GEDA Receivable - Tucson Lighting Improvements	\$ 80,560	\$ 3,712,633
Estimated Cash Available up to 03/31/2022		\$ 35,525,404
Less: Public Law Restricted Funds	\$ 20,516,217	
Trade Payables & Other Liabilities	\$ 740,884	
Encumbrances	\$ 6,677,534	
GVB BOO Committed Funding Balance	\$ 2,596,081	
Other CAPEX Committed Funding	\$ 2,536,537	\$ (33,067,253)
Net Estimated Cash Surplus/(Deficit) as of 03/31/2022		\$ 2,458,151

Cash Balance Recap Summary as of March 17, 2022		
Current Bank Balance as of 03/17/2022 Total Balance		\$ 31,812,051
Add: Restricted Funds from GDB		
FY2022 Allotment (August 21 - April 21)	\$ -	
GEDA Receivable - Tucson Lighting Improvements	\$ 80,560	
FY2022 Allotment January 2022	\$ 3,712,633	
FY2022 Allotment February 2022	\$ 1,710,891	
FY2022 Allotment March 2022	\$ 1,710,891	\$ 7,134,975
Estimated Cash Available up to 03/31/2022		\$ 39,359,489
Less: Restricted Funds	\$ (20,516,217)	
Trade Payables & Other Liabilities	\$ (740,884)	
Encumbrances	\$ 6,677,534	
GVB BOO Committed Funding Balance		
AR V and V (Education and Vocational)	\$ 195,943	
Multi-Adm Hall Campaign	\$ 464,713	
Market Recovery Efforts	\$ 1,317,326	
PCR Testing	\$ 398,000	
Holiday Distribution	\$ 200,000	
Other CAPEX Committed Funding	\$ 2,536,537	\$ (33,067,253)
Net Estimated Cash Surplus/(Deficit) as of 03/17/22		\$ 2,458,151

Cash Balance Recap Summary as of March 17, 2022, data:

- To forecast without change in our campaigns or out of pocket costs, an estimated \$2.4M could be available for any marketing opportunities if we can collect the allotment
- Director Shinohara inquired whether it was the balance for the year or the balance outstanding for previous months. It appears that number is missing and could not be the balance for the fiscal year.
 - The "Allotment Receivable" is the books receivable; it is not a forecast to receive March - September
 - It should show the true potential cash receipts and the potential cash outflows
 - Josie Villanueva to add the estimates that match the projection of encumbrances in the next report
 - If we're to show encumbrances, we need to indicate an influx

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	\$ 168,128
TR5	FY 2011 Other (PL 30-196) (Reconst. Phase 1 & 2 San Vitor)	\$ 182,138
TR6	GVB Cruise Ship	\$ 37,454
	American Rescue Plan Act 2021	\$ 19,980,000
	Membership Funds	\$ 143,492
TOTAL		\$ 20,516,217

SUMMARY OF PROGRAMS									
FUND TYPE	GDB Committed from Total	PCB Subcontract	PC1 Subcontract	PC2 Subcontract	APL Encumbrance	Net Transferred to Other Programs	Unspent Funds	From Committed Project	Net Unspent Balance
All Mkt Spending Summary	1,824,000		124,000	89,340	517	83,000	86,542	86,542	
Multi-Adm Campaign Spending Summary	1,840,000		1,116,380				66,712	66,712	
Market Recovery Spending Summary	1,400,000	627,238	880,155	479,004	368,280		1,522,226		1,522,226
PCR Testing	1,800,000			778,480	423,000		388,100	388,100	
TOTAL	7,864,000	627,238	1,204,385	1,287,375	779,807	883,000	1,563,580	1,563,580	1,563,580

Restricted Fund Summary:

- Director Cepeda asked why the ARP funds are restricted

- Vice President Perez mentioned that Governor LG has a major destination attraction project she would like GVB to lead and manage.
 - Funds were allocated to GVB for this purpose
- Director Shinohara asked when plans would be shared with the Board
 - Governor LG is going to create an Executive Order Task Force
- As reported, Director Shinohara wondered whether the number should be \$20M.
 - \$20K used to pay for renderings; architect and engineer designs
- Director Shinohara asked if the Board needed to approve the expenditures that are sitting in GVB's account before it is expended
 - President Gutierrez mentioned that the funds were part of the \$6.5M account she allowed us to use while temporarily replenishing it.
 - It is part of the Destination funds approved that we have available.
 - Josie Villanueva stated that it came from the \$20M
 - We're buying out \$6.5M in advance to augment several projects; was presented before the Board in prior meetings
 - Director Shinohara did not recall this being part of the project list that the Board approved
 - President Gutierrez mentioned that \$132K was set aside for Destination Management. The \$20K was taken out of that
 - Director Shinohara asked why would it be drawn down from the \$20M?
 - President Gutierrez mentioned that the entire \$6.5M had not been moved. What needed to be paid was taken out at that particular time.
 - In hopes that we don't have to separate the \$6.5 until Governor LG replenishes the \$6.5

Air V & V Spending Summary	
Schedule # 2	
Receipt of Air V&V	
Board Approval 06/24/21	\$ 1,000,000
Less: FY21 Expenses incurred to date	(124,000)
FY22 Expenses incurred to date	(69,341)
Less: Encumbrances	
On Accounts Payable Aging	-
On Purchase Order FY22	(9,917)
On Contracts FY22	(9,917)
Transfer to Hafa Adai Half Campaign BOO 08/26/21	(600,000)
Available Fund Balance	\$ 195,943
Less: Known committed project	(195,943)
Net Available Fund Balance	\$ -

Hafa Adai Half Campaign Spending Summary	
Schedule # 1	
Receipt of Hafa Adai Half Campaign	
Board Approval 06/24/21	\$ 1,600,000
Transfer from Air V&V BOO 08/26/21	600,000
Transfer to PCR Testing	(600,000)
Total Adjusted Committed Funding	\$ 1,600,000
Less: FY21 Expenses incurred to date	(1,138,288)
FY22 Expenses incurred to date	(5,100)
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	\$ -

Air V & V Spending Summary:

- Director Shinohara inquired about the balance of Air V&V
 - Nadine LG shared that the balance was presented at the March 10th meeting (see page 3 of board minutes) \$214,181
 - There was a recommendation on the allocation

Market Recovery Spending Summary

Schedule # 4

Account	Committed	Actual	Encumbrance	Balance	Committed	Actual	Encumbrance	Balance
Committed Funds (Interfund from Ops & Maintenance)	1,023,000							
ADD: Recovery Fund (Recovery Fund)	62,000							
ADD: Recovery Fund (Recovery Fund)	62,000							
Total Committed	1,147,000							
Total Actual	1,482,291	471,386	992,688	488,217	27,000	78,100	20,400	1,482,291
Total Encumbrance	992,688	471,386	421,302	571,386	27,000	78,100	20,400	992,688
Total Available	152,312	0	0	0	0	0	0	152,312

PCR Testing Spending Summary

Schedule # 5

Account	Committed	Actual	Encumbrance	Balance
Board Approval 09/09/21	\$ 1,000,000			
Transfer from 020 Admin Comp	\$ 600,000			
Total Adjusted Committed Funding	\$ 1,600,000			
Less: FY21 Expenses Incurred		(778,400)		(778,400)
Less: Encumbrances			(423,900)	(423,900)
On Purchase Order FY22			(423,900)	(423,900)
On Contracts FY22				
Transfer from				
Available Fund Balance				\$ 398,100
Less: Known committed project (PCR testing on clinics)				(398,100)
Other Known Committed Funding				
Encumbered But Undisbursed Fund				\$ 0

*Program to begin November 1, 2021, and was resumed Feb. 28, 2022

Other CAPEX Committed Funding

Schedule # 6

Account	Committed	Actual	Encumbrance	Balance
C3 Lighting Improvement & Maintenance	\$ 1,140,812			
C4 Median Upighting	\$ 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

Account	Committed	Actual	Encumbrance	Balance
Prior Board Approved Funding	\$ 200,000			
Total Adjusted Committed Funding	\$ 200,000			
Less: FY21 Expenses Incurred to date		-		-
Less: 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 March 17, 2022

Employment Type	Total	Total	Total	Total	Total
Classified	27	29	30	30	30
Filled	24	24	24	25	25
Vacant	3	5	6	4	4
Unfilled Term Appointment	4	4	4	4	4
Filled	4	4	4	4	4
Vacant	0	0	0	0	0
Unclassified	3	3	3	3	3
Filled	3	3	3	3	3
Vacant	0	0	0	0	0
Grand Total	34	36	37	37	37

> Retired Employee Count = 30
 > Resignation/Repatriation from Employment, Marketing & Promotions Officer II by March 25, 2022

- ### Admin & Finance Update
- Compensation & Classification Study On-going with results are being discussed with management and governance committee.
 - GVB Tumon Beautification Account research was put on hold pending all Bank account signatory updates completion.
 - ARP \$20M, 4 CDs responses from financial institution pending decision from President & CEO
 - Feb. & March 2022 allotment to be released by DOA as TAF funding becomes available.

Staffing Pattern:

- Director Shinohara asked if the Marketing position is the only potential vacancy we have.
 - There are a few vacancies that will not be filled immediately
 - Vacancies will be filled when we start cranking up

Admin & Finance Update:

- Director Shinohara shared that the newspaper article reported a \$60M overage that will be used to fund special account shortfalls. He asked why we would need to wait until TAF funding becomes available?
 - According to Vice President Perez, he believes DOA is waiting to verify TAF numbers for February, and whatever the shortfall may be, it will be funded.
- Director Dela Cruz asked if the \$20M is the same as \$19M; yes, it is the ARP money - federal funding

FY2021 Audit Update



- Status: Wrapping up Audit
 - Clean – Opinion
 - Management Letter of Comment – 3 Items
 - Expenses, Procurement process on Project/Program Approval Plan Documentation
 - DOA receivable reconciliation – a reversal of revenue for Aug & Sept. Allotment - \$1.064M and Hot Bond refinancing - \$1.038M
 - Addition Hours – additional fee at \$3,500 to \$5,000 related to additional testing on Asset Acquisition Re: Electronic Declaration Forms and Pass-Thru projects and programs such as VaxNWin, Liberation program review.

SI YU'OS MA'ASE'



FY2021 Audit Update:

- Director Shinohara suggested that it would be good for the DNT to make the presentation to the Board and field any questions the Board may have once it is final.
- We have a statutory requirement; after 60 days, we must report the CCR and annual reports

REPORT OF THE BOARD COMMITTEES

A. EXECUTIVE COMMITTEE

- Nothing to report

B. ADMINISTRATION & GOVERNMENT

- Nothing to report

C. REOPENING TASK FORCE

- Director Shinohara shared his travel experience in Japan
 - Spent time meeting with different tour consolidators and other individuals
 - Interviewed 12 people at the train station; asked if they were vaccinated and boosted
 - Three were vaccinated & boosted
 - Asked if they were interested in travel, when was the last time they traveled, and if they would be interested in coming to Guam.
 - They haven't traveled in over two years
 - Very interested in travel
 - They would like to go to Guam, but the Japanese government will not allow them to travel
 - The response was that they could leave and return without any quarantine because they were vaccinated and boosted; they were unaware of the ability to do so
 - The Japanese government is discouraging international travel
 - Opportunity to capture the market of fully boosted individuals in Japan
 - Japan is interested in lifting the daily caps that are inbound arrivals into Japan that will impact the to and from travel from Japan
 - Concerned with the inbound arrival quarantine process for everyone is very laborious for a three-hour flight to Japan; it took three hours to clear through the quarantine process
 - He asked his team in Japan to work with the quarantine folks to revisit their strategy and see whether or not the test can be administered once visitors get off the airplane to eliminate the waiting time for test results.
 - They're implementing a fast track lane
- Significant appreciation for the government in facilitating and picking up the cost associated with PCR testing
 - How can we make it super simple and easy for visitors, ensuring that we can do it in the Tumon vicinity; Is there any progress?
 - According to President Gutierrez, there is some progress. Nadine and the crew have been working very closely with DPHSS and reaching out to clinics

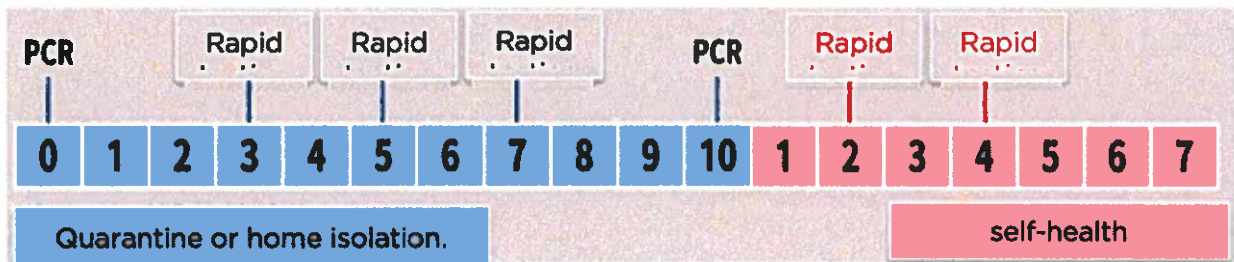
- Right now, we can reach up to 1,500 people at DPHSS
- The Japan-Guam Tourist Association would need up to 3K per day
- Thinking if we'd take up the Outrigger offer Mr. Eun gave us
- We will start training some of our people to administer swab testing and try to negotiate with some labs outside of Public Health that can do 1,500 a day and work with two other labs that could assist us at a lower cost.
- Using the lab cost about \$120 per test
- You do not need to be a medical professional to swab; Public Health said they can train

D. AIR SERVICE DEVELOPMENT

- March 29th meeting cancelled and rescheduled to April 5th at 3:30 p.m.

E. TAIWAN

- The next TMC will be on Thursday, April 7th at 11:00 am.
- GVB met with TECO:
 - Chairman Morinaga met Director General Paul Chen's Deputy Assistant on March 14th
 - Nadine and the marketing team met with TECO on March 16th
 - Topics discussed: art contest, beach cleanup (GVB to assist), and the 50th anniversary of the Guam and Taipei sister city agreement.
- Taiwan had a 10-day quarantine followed by 7-day self-health Management. Effective today, a rapid antigen self-test is mandatory on the 2nd and 4th day of self-health Management.



Questions & Discussion:

- Director Chiu inquired about the pre-pandemic budget for Taiwan marketing.
 - pre-pandemic budget is \$750K, per Nadine LG
 - budget was higher because of Air V&V
 - Because the Air V&V program is no longer viable, Director Chiu questioned whether funds should be reallocated to Korea instead of using \$400K for Taiwan. He also asked whether we spent the whole \$800K for the first two quarters. He brought up the idea of a pool fund as discussed by the board.
 - Vice President Perez mentioned that we have a pool readily available, and we have unspent funding for the other markets.
 - Management would like the flexibility of identifying this as we go along and make the shift without having to come back to the board for approval
- Director Chiu asked how much was spent from Taiwan out of the original \$800K.
 - \$800K was not appropriated for Taiwan, per Nadine LG
 - \$630K is what was approved for Taiwan
 - \$292K was spent
 - \$870K balance; attempting to approve \$400K from this balance
 - \$690K allocated for the first two quarters; \$330K without fixed office costs

- Of \$330K, \$290K was spent, and about \$100K remains
 - Director Chiu is concerned about limited funding and six months left to the quarter
 - Would like to allocate and disburse funds in the Korea Market
 - President Gutierrez explained that Guam must compete in the Taiwan market with Hawaii, Northern Marianas, Saipan, Palau, and Hawaii.
 - Director Chiu questioned the amount that the Taiwan Market should receive
 - Taiwan Market has received the least amount of funding, per President Gutierrez
 - Vice President Perez shared that some of the allocations from Taiwan were done earlier in the fiscal year before anything came about. The commitments have already been spent or contracted, and we cannot back out.
 - Nadine LG spoke about fungible funds that can be taken away
 - Money is not being allocated to Taiwan at the moment
 - Management is requesting flexibility to tap into unused funds and reallocate into where they see fit to get the most out of it
- President Gutierrez appealed to Governor LG, and she gave GVB \$6.5M; at the time, we didn't receive our allotment for August & September
 - In this season, the Japan and Korea funding was low
 - Funding from that \$6.5 went to Japan & Korea; none was given to Taiwan
 - Almost \$4M went to Japan
- President Gutierrez believes Guam is a marketplace to be
 - Working on getting three airlines to begin flying in June
 - Directors Chiu and Shinohara don't see the reason to approve a \$400K amount for the Taiwan Market
 - 40 passengers have come into Guam from Taiwan
 - President Gutierrez mentioned that they had not opened yet, but we cannot be non-existent in the eyes of Taiwan
 - Vice President Perez mentioned that the Taiwan Marketing Committee is anticipating flights in June
 - Reason for wanting to allocate funds ahead of time
 - Even if the Board approves the requested amount, if something comes up, Management should have the flexibility to pull money from there
- Director Chiu asked if all budgets have been cut by half, why should Taiwan get the same budgeted amount as it did pre-pandemic
 - Governor LG signed a Sister City relationship with Taichung and Hualien
 - Guam to focus attention in Taiwan on medical, cargo, other business investments, and tourism
 - The Governor of Guam wants the airlines to fly into Guam for other things

Motion to approve \$417,740.00 for Taiwan's quarter three marketing budget to encompass its sales and marketing development, travel trade co-ops, trade industry fam tours, MICE programs, digital marketing programs, and Guam product update events in Taiwan. Motion tabled by Chairman Morinaga.

Background: The Taiwan three-month marketing plan was presented in detail at the Taiwan Marketing Committee (TMC) meeting that took place on Thursday, February 3, 2022. Plans for Q3 may be accelerated or pushed back depending upon the current situation in Taiwan and Guam.

FY2022 TAIWAN BUDGET QUARTERLY BREAKDOWN AS OF FEBRUARY 17, 2022				
ACCT #	PROGRAMS			
		APR	MAY	JUN
TTC039	Media/Travel Industry Fam Tours	\$0	\$60,000	\$0
ADV018	Social Media/Online Campaigns & Advertising	\$2,000	\$2,000	\$2,000
TTC031	Travel Fairs	\$10,000	\$10,000	\$0
SMD023	Travel Trade Co-ops, MICE Programs, Promotional & Marketing Activities	\$165,000	\$53,540	\$113,200
SMD019	Sales & Market Development (HQ)	\$0	\$0	\$0
	TOTALS PER MONTH	\$177,000	\$125,540	\$115,200
	Quarterly Totals		\$417,740	

Issue: Board approval required.

F. DESTINATION MANAGEMENT/VISITOR & SAFETY SATISFACTION

- Nothing to report

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 - March 15, 2022

EXHIBIT B

Japan Market Updates

- 41K cases have been reported nationwide as of March 23, 2022
- Daily Omicron infection number is declining from a peak
- Vaccination rate: 80.7% (2nd dose), 36.1% (3rd dose) nationwide

United Airlines additional Flight May 7 - June 2, 2022

- Saturday & Sunday
- total Seats: 11,620

Fam Tours

- #HereWeGuam Ambassador Fam Tour February 21 - March 4, 2022
- HYPEBEAST Media Fam Tour February 28 - March 4, 2022

Tabi Salad Osaka Expo March 19 - 21, 2022

- Participants: 18,300
- Total approaches: 9,110 (Promotional Handouts)
- CHamoru dance performance: Guma' Fagamu' on Tan' yan i Tasi
- #HereWeGuam Ambassador TV appearance
Nationwide network: TV Asahi
Media value: \$220,000

Monthly JMC Meeting

- March JMC Meeting: Tuesday, April 19, 2022 at 2:00 PM

JGTA Appreciation Letter

- Sent to GVB Management and Recovery Task Force
- Appreciates additional support from Guam's government supporting PCR testing

JAPAN QUARTER THREE (Q3) MARKETING BUDGET

Director Tani made a motion, seconded by Director Jones, to reallocate \$500,000 from the unspent project balances to the Japan market and approve \$1,466,000.00 for Japan's quarter three (Q3) marketing budget to implement sales & marketing digital plans, airlines support programs, Travel Agents sales campaigns, and Media/TA Fam Tours for FY2022. **Motion Approved.**

Background: The Japan Q3 marketing plan was presented in detail at the JMC meeting on Tuesday, February 15, 2022. Requested budget plans for Q3 may be accelerated or pushed back depending upon the Japan market's current situation.

FY2022 JAPAN BUDGET QUARTERLY BREAKDOWN AS OF FEBRUARY 18, 2022				
ACCT #	PROGRAMS			
		APR	MAY	JUN
ADV001	Advertising/PR Umbrella Message and Support (#HereWeGuam Branding/Consumer)	\$100,000	\$65,000	\$65,000
ADV008	Co-op Advertising (Trade/Consumer/Airlines/TA Digital Strategy)	\$100,000	\$85,000	\$80,000
PRE002	PR Tie-in/Web/Online Support (Media Support)	\$10,000	\$2,500	\$2,500
TTC091	Regional Travel Shows (Osaka/Fukuoka/Nagoya/Tokyo/JATA)	\$10,000	\$20,000	\$20,000
SMD004	Sales Market Development (TA/Trade Support/FAM Tours/Incentives/Collateral)	\$300,000	\$300,000	\$306,000
	TOTALS PER MONTH	\$520,000	\$472,500	\$473,500
	Quarterly Totals	\$1,466,000		

Issue: Board approval required.

K. KOREA

Committee Meeting Minutes - March 15, 2022

EXHIBIT C

Director Eun made a motion, seconded by Director Shinohara, to approve \$1,193,000 for Korea's 3rd Quarter Marketing Budget. **Motion approved.**

Background: The Korea Marketing Budget was presented in whole to the Korea Marketing Committee at the beginning of the year. The 3rd Quarter Marketing Budget was presented to the KMC on Tuesday, February 15, 2022. Plans for Q3 may be accelerated or pushed back depending upon the current situation in the Korea and Guam.

Account #	MARKET FY2022 MARKETING PROGRAMS	2022			FY 2022	
		APR	MAY	JUN	Section Total	Percentage
		Q3				
SMD019	Airline Co-Op Promotions	\$65,000	\$65,000	\$65,000	\$ 195,000	16.35%

	Travel Agent Co-Op Promotions	\$30,000	\$30,000	\$50,000	\$ 110,000	9.22%
	Online Travel Agent Co-Op Promotions	\$15,000	\$15,000	\$15,000	\$ 45,000	3.77%
	Sales Calls	\$6,000	\$6,000	\$6,000	\$ 18,000	1.51%
ADV011	TV or OTT Content Shooting	\$200,000		\$120,000	\$ 320,000	26.82%
	Out of Home / Media Advertisement		\$50,000		\$ 50,000	4.19%
	Consumer Brand Collaboration		\$30,000		\$ 30,000	2.51%
	Media Tie-In Projects	\$20,000		\$20,000	\$ 40,000	3.35%
DIG001	Influencer Co-Op Promotions	\$40,000			\$ 40,000	3.35%
	SNS Promotion & Campaign	\$5,000	\$5,000	\$5,000	\$ 15,000	1.26%
	Digital Media Buying	\$45,000	\$45,000	\$45,000	\$ 135,000	11.32%
TTC018	Familiarization Tours		\$35,000		\$ 35,000	2.93%
SMD023	In-Country Online / Offline Travel Trade Shows			\$80,000	\$ 80,000	6.71%
	Ad-Hoc Project (Sustainable Guam, Study Aboard, etc.)	\$30,000			\$ 30,000	2.51%
	Promotional Giveaways / Collateral Printing	\$50,000			\$ 50,000	4.19%
TOTALS PER MONTH		\$506,000	\$281,000	\$406,000	\$1,193,000	

Issue: Board approval required.

L. NEW MARKETS

- Nothing to report

M. NORTH AMERICA, PACIFIC & PHILIPPINES

Director Jones made a motion, seconded by Director Eun, to approve \$39,750.00 for Philippine's quarter three marketing budget to encompass its sales and marketing development and digital marketing programs, media and travel trade industry FAM tours, and Guam product update events in Manila and Cebu. Motion Approved.

Background: The Philippines six-month marketing plan was presented in detail at the North America, Pacific, and Philippines (NAPP) committee meeting that took place on Wednesday, February 2, 2022. Plans for Q3 may be accelerated or pushed back depending upon the current situation in the Philippines and Guam.

Program Code	Date	Marketing Program	Amount
SMD023	April - June 2022	Sales & Marketing Development / Digital Marketing	\$24,200.00
<ul style="list-style-type: none"> • Create sustaining content pillars for our social media platforms, activate social media campaigns, push our travel partners promos, execute webinars for our travel trade partners, incentivize travel agents for MICE travel bookings, and develop promotional items to support our programs 			
Program Code	Date	Marketing Program	Amount
TTC039	April - June 2022	Media & Travel Trade Industry FAM Tours	\$10,000.00
<ul style="list-style-type: none"> • Execute influencer FAM tours to promote Guam and increase travel interest 			
Program Code	Date	Marketing Program	Amount
TTC067	April 2022	Travel Trade Events / MICE & Consumer Shows	\$5,550.00
<ul style="list-style-type: none"> • Participate in and support travel trade events, such PTAA Travel & Tour Expo and World Travel & Tourism Global Summit 			
TOTAL Q3			\$39,750.00

Issue: Board approval required.

VI. OLD BUSINESS

- Director Shinohara wanted to remind Management that the Board Package is due by the end of the day on Friday, a week before the Board meeting.

VII. NEW BUSINESS

- No Old Business

VIII. ANNOUNCEMENTS

Upcoming Board Meetings:

- April 14, 2022
- April 28, 2022

IX. ADJOURNMENT

Director Shinohara made a motion to adjourn the Board of Directors' regular board meeting at 3:38 p.m.
Motion Approved.

Mr. Jeffrey Jones, Secretary of the Board of Directors

Board Minutes respectively submitted by Valerie Sablan, Executive Secretary