



REGULAR BOARD OF DIRECTORS MEETING MINUTES

Thursday, April 14, 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 1:34 p.m., with a quorum being present

II. ROLL CALL

In-Person: Milton Morinaga, Sonny Ada, Derrick Quinata, Rudy Paco, Laura Cepeda, Ho Eun, Ben Ferguson, Jeff Jones, Sam Shinohara, Flori-Anne Dela Cruz, Akihiro Tani, George Chiu

III. MINUTES OF THE PREVIOUS MEETING

EXHIBIT A

Director Shinohara made a motion, seconded by Director Jones, to approve the previous Board of Directors meeting minutes dated March 24, 2022. Motion Approved.

IV. CHAIRMAN'S REPORT

- Moment of silence for Vice-Chairman Shimizu
- Chairman Morinaga moved the meeting into an Executive Session
- Chairman Morinaga did not have anything to report

V. EXECUTIVE SESSION

- The Board went into an Executive Session at 1:36 p.m.
- The Board returned to their Regular meeting at 3:34 p.m. after two hours of an Executive Session.
- As requested by Chairman Morinaga, Legal Counsel Joe McDonald delivered a message
 - The Board is serious about any accusations relative to the proper running of its business
 - Taking this matter into serious consideration with all due respect to the process as well as the parties involved
 - Legal Counsel was commissioned to look into the matter and provide recommendations and corrective actions necessary to remedy any issues relevant to the proper running of the Board.
- Director Shinohara suggested that any urgent motions requiring attention be addressed due to some Board directors that needed to leave.
- The Japan motion was entertained, followed by two Taiwan motions

VI. REPORT OF THE BOARD COMMITTEES

A. JAPAN

GVB JAPAN TRADE INDUSTRY MEETINGS AND PROGRAMS

Director Tani made a motion, seconded by Director Shinohara, to approve travel for the months of April and May or June (2 trips) for the GVB Board Chairman and JMC Chairman or designee, GVB President & CEO or designee, Director of Global Marketing, Japan Marketing Manager and one marketing staff or designee, (total 5 staff) to hold high-level government/industry meetings with airlines and travel trade partners and conduct Guam Press Conference (April). Trip in May/June to promote #HereweGuam with Gogo Campaign and hold Guam seminars with travel trade partners. The first trip is to take place April 20 – 26, 2022, and the second trip is to take place May/June in Tokyo, Japan. Cost is approximately \$40,544.00 from FY2022 third quarter (Q3) Japan Sales Market Development Account #JA-SMD004. **Motion Approved.**

Delegation Airfare	\$1,000 x 5 Pax x 2 trips (April & May/June)			\$10,000
Traveler	Lodging	M&IE x 2 Trips	Days per trip x 2	
JMC Chairman	\$380	\$165	6	\$6,540
President&CEO	\$380	\$165	6	\$6,540
Director of Global Marketing	\$304	\$132	6	\$5,232
Japan Marketing Manager and Marketing staff (2 Pax)	\$304	\$132	6	\$5,232
COVID Testing	\$200 x 5 Pax x 2			\$4,000
Miscellaneous Expenses	Business communications. Excess Baggage fees for Guam gifts and supplies, meeting expenses, unanticipated costs related to trips			\$3,000
Total				\$40,544

Background: This overseas mission to Tokyo will be the first official visit after the Pandemic, and GVB plans to schedule meetings with the U.S. Embassy, Ministry of Land, Infrastructure, and Transport, airline partners, and travel agencies to re-establish working relationships and discuss opportunities to grow traffic to Guam.

An additional trip will take place as a follow up of the April trip in May/June to further promote Q3 and Q4 Gogo Campaign programs and more in-depth discussions with TA's and airlines to further the resumption of travel from Japan to Guam. Keeping the discussions going of working closely with our Japan travel trade partners and developing more programs to stimulate travel.

During this transitory period, it is critical for Guam's tourism industry to establish rapport with the overseas travel trade community as soon as possible to instill confidence that the work will continue and trust that their partnership is valued during this recovery period. Additionally, the April trip will include a GVB Press Conference mainly for GVB management presence in Japan and to share the Gogo (55) Years campaign, which celebrates the 55th anniversary since the first flight from Japan landed on Guam in 1967 with Pan Am Air.

Furthermore, the second trip in May/June, (travel dates to be determined by management), as more flights are confirmed for Guam, GVB will have in depth TA and Airlines meetings to encourage more group and SIT travels by holding various seminars to re-introduce Guam in the market. This work is essential to support the trade programs and demand needed for Guam's support done in the market.

Note: Travel dates are subject to change based on availability and pandemic market conditions.

Issue: Board approval required for travel.

Questions & Discussions:

- Director Ada wanted to clarify that the GVB Chairman and JMC Chairman will be traveling and not two directors.

Committee Meeting Minutes dated April 7, 2022

TAIWAN QUARTER THREE MARKETING BUDGET

Director Ada made a motion, seconded by Director Quinata, 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 withdrawn.**

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.

TAIWAN QUARTER THREE SPENDING FLEXIBILITY

Director Ada made a motion, seconded by Director Quinata, to approve flexibility of spending at the discretion of the GVB Management for the Taiwan market third quarter budget of \$417,740.00. Marketing activities to include sales and marketing development, travel trade co-ops, trade industry fam tours, MICE programs, digital marketing programs, and Guam product update events in Taiwan. GVB will continue to closely monitor Taiwan's quarantine requirements and pandemic restrictions in order to accelerate plans or transfer budget allocation to other source markets as needed.

The motion was 3 against 5; Motion failed.

Shinohara, Dela Cruz, Jones voted no
Tani, Paco, Ferguson, Quinata, Ada voted yes
Chien recused himself

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. GVB remains committed to the Taiwan market and must continue its marketing and sales campaigns to remain top-of-mind to Taiwanese travelers. GVB supports Governor Leon Guerrero's efforts to strengthen our relationship with Taiwan, in which Guam signed sister-city agreements with Taichung and Taoyuan in the past 4-months. GVB will also be celebrating the 50th year of the Taipei City and Guam sister-city signing in 2023.

Issue: Board approval required.

Questions & Comments

- Director Jones wanted to confirm that half a million dollars for Taiwan were already approved and that \$417K is being requested in addition to that; yes.
- Director Shinohara asked how many customers for \$417K
- Director of Global Marketing Leon Guerrero mentioned that three airline carriers have committed to fly into Guam during the summer
 - Once they finalize their plans, GVB will be able to work with them in the different programs here
 - If they don't conclude their plans, we can then shift them to other markets
 - Director Ferguson believes Guam will see a lot of visitors as a result of these three airlines' committing to fly into our island.
 - Wanted to clarify if the allocation of funds will allow management to meet with the airlines in good faith and bring flights to Guam.
 - Seeking a better understanding of what is needed to bring the Taiwan market back to a more prominent fashion than it was before
- Director Jones inquired whether the \$500K can first be used and then backfill it with \$400K as needed for seats
 - In response to Director Jones, President Gutierrez stated that approving the funds for the Taiwan market doesn't mean that it will be spent
 - The funds will be a tool used to move forward in the event it is needed; allocation of funds could always be made with another motion
 - If Management notices a need in Korea, they will shift funds to that market
 - The Board approves a budget for the fiscal year, and they hold funds back for flexibility
 - Director Jones mentioned that it was a unique situation due to the pandemic, the uncertainty of which market would open first was in question
 - The Taiwan market is currently not open
 - Requested funding is like a line of credit, according to Chairman Morinaga
 - President Gutierrez stated that if something comes up and we don't have the funds to move things forward, we won't be able to proceed. We may need the whole budget or not but limiting us will not allow us to move forward should the need arise.
 - According to Leon Guerrero, the half a million mentioned included the fixed cost; \$340K available in unspent funds
 - Marketing Manager Elaine Pangelinan stated that plans were already approved with the \$340K balance but were not executed due to the situation; not all funds from this amount are available
 - Director Shinohara is concerned about committing to plans that potentially may not have the flexibility that President Gutierrez speaks of; there is no scheduled flight service today, and the return on investment cannot be quantified
 - Director Quinata told the Board that management cannot go to the negotiating table without resources or a line of credit
 - Director Shinohara spoke about calling an emergency meeting if need be; President Gutierrez and Director Quinata reminded the Board that timing is of the essence, and a 5 day's notice will have to go out to conduct an emergency meeting
 - Chairman Morinaga shared some good news. Taiwan's Ministry of Health & Welfare commented on the possibility of Taiwanese traveling abroad and returning without quarantine. They are targeting the summer vacation months.
- Director Shinohara would not like to place ourselves in a situation where we commit more funds and don't spend it at the peril of not being able to respond to something in Korea or Japan; he believes there is flexibility without the motion
- Mayor Paco doesn't see a problem with giving management the flexibility to allocate funds to other source markets as needed.
 - Director Shinohara explained that not all of \$300K is available because they were already committed to programs
 - Concerned that if we commit to things in the market and we're stuck with them, we don't have the flexibility to move it
- Director Jones mentioned no airline incentives are listed in the budget items; Vice President Perez said most are co-ops.

- Director Shinohara, Mayor Paco, and Director Quinata excused themselves at about 4:00 p.m.; the board meeting was left without a quorum.

VII. ADJOURNMENT

Director Chiu made a motion, seconded by Director Jones, to adjourn the Board of Directors regular board meeting at 4:08 p.m. **Motion Approved.**



Mr. Jeffrey Jones, Secretary of the Board of Directors

Board Minutes respectively submitted by Valerie Sablan, Executive Secretary