



REGULAR BOARD OF DIRECTORS MEETING MINUTES

Thursday, June 13, 2024, at 1:30 p.m.

GVB Conference Room and Teleconference - GoToMeeting

<https://meet.goto.com/GUAMVISITORSBUREAU/gvb-board-meeting>

I. CALL TO ORDER

- Chairman Chiu called the Board Directors meeting to order at 1:52 p.m.

II. ROLL CALL

In-person: George Chiu, Jeff Jones, Robert Hofmann, Milton Morinaga, Michelle Merfalen, Michael Sgro

Online: Joaquin Cook, Ho Eun

Absent: Sonny Ada

III. MINUTES OF THE PREVIOUS MEETING

Director Hoffman made a motion, seconded by Director Jones to approve the Board of Directors meeting minutes dated December 14, 2023. **Motion approved.**

IV. ACTION BY THE BOARD

- None

V. CHAIRMAN'S REPORT

- Chairman Chiu welcomed two board members; Director Michael Sgro and Youth Representative, Michelle Merfalen.

VI. MANAGEMENT'S REPORT

- Vice President Perez presented the management's report, which can be found on the GVB website.
- President Gutierrez spoke with the CNMI government and businessmen about augmenting Japan for Guam and the CNMI.
- Plans have been made in Shanghai to benefit the Haneda flight in connection with about 10 million Chinese tourists who have visas for the US.
 - Research shows that airlines from different parts of China are meeting the connecting time to fly into Haneda.
 - Looking to block seats from Chinese flights at a different rate into Haneda

Purchase orders for FY2024

Director Hofmann made a motion, seconded by Director Sgro to approve the purchase of four Sport Utility Vehicles from the winning vendor, Cars Plus for \$93,720.00. Motion approved.

CapEx Improvements

- GEDA has been in conversation with Chairman Chiu regarding the possibility of obtaining bonds to make real improvements in Tumon.
- President Gutierrez mentioned that it would be helpful for the Board to identify priorities for improvements to management.
- Governor Leon Guerrero has authorized ARP money to move forward with Matapang improvements. The cost of improvements is estimated at \$15M.
- Other improvements are the Ypao amphitheater, bollards around Tumon, and the ponding basin, Happy Landing Road.
- Dilapidated buildings in Tumon are a concern.

VII.REPORT OF THE BOARD COMMITTEES

- A. Executive Committee
- B. Administration & Governance

Implementation of salary adjustment of GVB General Manager

- Chairman Chiu conducted an open evaluation of President Carl Gutierrez. Each board member presented their rating. President Gutierrez's final review score was 3.91 on June 13, 2024.
- Director Cook did not receive the evaluation form for review.
- Director Jones asked if the evaluation was on the published agenda. Chairman Chiu mentioned that Legal Counsel deemed it part of the implementation of the salary adjustment of the general manager; under Guam law, an evaluation is required before moving forward with the salary adjustment.

Director Hofmann made a motion, seconded by Director Jones to approve the GVB General Manager Salary Adjustment of \$160K.

- Director Jones inquired about guidelines the board may have as far as limitations.
- According to Chairman Chiu:
 - A third-party independent study was conducted as well as a parody of the salary structure.
 - Over a year ago, there was a general overall increase for all government of Guam employees at 22%. This was implemented for everyone at GVB including Vice President Perez, however, President Gutierrez was not included in this implementation.
 - There are no criteria set by the Board

- According to Director Hoffman:
 - The Board sets the President & CEO's salary
 - The President & CEO's salary is unclassified and not set by any pay structure within the Government of Guam. This unclassified position serves at the pleasure of the Board. Various rates have been offered to General Managers in the past based on their ability and what GVB can afford.
- Director Cook inquired about the study done to compare the salaries of our executives and those of executives from similar-sized visitors bureaus. He asked if it was specific to visitors bureaus or government directors and executives.
 - Vice President Perez shared that the study was not related to government executives and directors in Guam.
 - A regression line study was shown where GVB employees are with comparable tourism bureaus around the country.
- Director Cook suggested that the board take a look at the salaries every three years to ensure that they are in line with the market.

Director Hofmann made a motion, seconded by Director Sgro to approve the GVB General Manager Salary Adjustment of \$160K. Motion approved.

- Per Chairman Chiu, President Gutierrez's salary adjustment of \$160K is effective June 15, 2024.

- C. Destination Management / Visitor Safety & Satisfaction
- D. Cultural Heritage & Community Outreach
- E. Research
- F. Sports & Events

- Vice Chairman Cook pushing for a proposal regarding Tottenham Hotspur
 - Case studies show that professional sports teams have partnered up with travel bureaus.
 - Co-branding effort to promote a country on all their media platforms and social media.
 - In 2019, Mongolia welcomed about 570,000+ tourists. They are looking into professional sports teams partnerships to boost their global exposure in their market.
 - Vice Chairman Cook has been working on something. Requesting management to look into the world of sports teams and to identify who may be interested in partnering with Guam. Vice Chairman Cook also requested that Management work on an RFP.
- Vice President Perez mentioned that GVB's proposed budget for the next fiscal year includes an amount that would relate to the possibility of including something conceptually as described by Vice Chairman Cook.

G. Japan

- Nothing to report

H. Korea

- Nothing to report

I. Taiwan

- Report included in Management's update

J. North America, Pacific, Philippines & New Markets

- Report included in Management's update

K. Membership

- Nothing to report

VIII. OLD CORPORATION BUSINESS

- Discussion on airline incentives ideas

IX. NEW CORPORATION BUSINESS

Nomination to replace former board director

- Chairman Chiu decided to table the nomination to replace former board director Paula Monk until a full board is present.
 - The process to replace a former board director would be having the remaining elected members would have to nominate an individual and then the board would have to approve the nomination.

Tourist Assistance Program (TAP) funds

- OPA conducted a performance audit on the Tourist Assistance Program that was implemented after typhoon Mawar. They had no questions about the process. They did make recommendations for future programs.
 - Currently working to revamp it to comply with OPA's recommendations
 - Will be sent to legal counsel for review and then it will be implemented.
 - According to Vice President Perez, this program has never been conducted before. It is a new creative way to handle an emergency recovery program. The auditors appreciated what GVB did when they created this program but had some suggestions on how to refine it.

GVB Enabling Legislation & Bylaws

- Chairman Chiu decided to table the discussion of GVB Enabling Legislation & Bylaws.
 - Director Jones shared that the task of creating the bylaws and enabling legislation cohesion was difficult. He recommended that the current enabling legislation be amended, and a new bylaw based upon the revised enabling legislation should be written.
 - In discussions with the legislature, they found that the enabling legislation had problems to begin with. Attempting to harmonize the bylaws with existing problems in the enabling legislation would create more problems.
 - President Gutierrez mentioned that bylaws must go through the triple-A process. We have the bylaws, congruent with the GVB enabling legislation. However, it has not gone through the triple-A process.
 - Director Jones shared that there were many questions surrounding the enabling legislation.
 - Questions arose regarding how the board is appointed and elected
 - The governor is supposed to appoint the board
 - Currently, we have the legislature, the elected members, and the governor appointing the board.

- President Gutierrez suggested that Director Jones take the chairmanship over this matter and that they sit with legal counsel to discuss how they can make it congruent. The president suggested that they create a new GVB enabling legislation.
- Chairman Chiu, Director Jones, and Vice Chairman Cook will participate in the process to make the GVB enabling legislation congruent with the bylaws.

X. EXECUTIVE SESSION

- None

XI. AGENDA ITEMS FOR THE NEXT MEETING

- Discussion, nomination, and election to replace former board director
- Updates on GVB Enabling Legislation & Bylaws
- Market share analysis
- Discussion on Tottenham Hotspur
- Discussion on safety in Tumon

XII. ANNOUNCEMENTS

Upcoming Board Meetings:

- July 25, 2024

XIII. ADJOURNMENT

Director Jones made a motion, seconded by Director Hofmann to adjourn the Board of Directors meeting at 3:37 pm.



Jeffrey Jones, Secretary of the Board of Directors

Board Minutes respectively submitted by Valerie Sablan, Executive Assistant