



## REGULAR BOARD OF DIRECTORS MEETING MINUTES

Thursday, November 07, 2024, at 1:30 p.m.

GVB Conference Room and Teleconference - GoToMeeting

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

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### AGENDA

#### I. CALL TO ORDER

- Chairman Chiu called the Regular Board of Directors meeting to order at 1:34p.m.

#### II. ROLL CALL

In-Person: George Chiu, Jeff Jones, Ho Eun, Sonny Ada, Milton Morinaga, Michael Sgro, Michelle Merfalen, William Nault, Robert Hofmann

Online: Joaquin Cook, Ken Yanagisawa

#### III. MINUTES OF THE PREVIOUS MEETING

**Director Ada made a motion, seconded by Director Morinaga, to approve the previous Board of Directors meeting minutes dated October 24, 2024. Motion Approved.**

#### IV. ACTION BY THE BOARD

- No action was made by the Board.

#### V. CHAIRMAN'S REPORT

- Chairman Chiu thanked the board for attending today's meeting and expressed the task from Governor Lou Leon Guerrero was to form a recovery committee to collaborate with management and submit a report for board discussion and approval. Chairman Chiu voiced his disappointment with the exchanges of emails and addressing things in the media. He expressed we are to be working together in a cooperative environment and spirit; therefore it is disappointing for him to see the opposite. He indicated our job is to promote tourism and expressed his disappointment with some of the comments that have been made in the media. Comments regarding that the businesses in the industry are undermining the efforts of the GVB management is disappointing. He then shared the urgent need for some hotels to shut down their dinner buffet, not because of lack of financial investment, but due to the of lack of tourists.

- Director Yanagisawa then made a comment regarding the newspaper ad that was released. He mentioned one of the pictures in the ad is the visitor's pathway to the PIC waterpark, stating it is the pathway toward the amphitheater. He then described that the amphitheater was damaged last year in Typhoon Mawar and is now closed to the public and a restricted area. He then mentioned that they are planning to spend \$1.7 million and plan to open in the month of June with PIC having a two-show availability. Director Yanagisawa shared his concerns with the picture of the Hilton Hotel. He was unsure how the picture was taken because that site was chosen since visitors are unable to view. He states it is true that there are materials and equipment outside, which is due to the past two years of renovation for Premier tower and after typhoon Mawar. They are storing there for the garbage collection to take place and expressed his disappointment towards the newspaper ad.
- President Gutierrez requested to make a comment on a question Director Yanagisawa inquired. President Gutierrez shared he was the one who sent the photo of the walkway to Director Yanagisawa, and him responding to President Gutierrez that he will send the water blaster there right away. President Gutierrez voiced that his family and the girls scout were the ones to walk the pathway leading to the waterpark. Director Ken expressed that was his initial reaction and confirmed with PIC operation that the pathway is not being utilized at that moment. President Gutierrez then communicated it was at the time being utilized when it was very slippery, and the picture was taken less than a month ago.
- Chairman Chiu then expressed his point of his address today is that a comment made by the press regarding that the businesses here are undermining the efforts of GVB, is misplaced, wrong, and erroneous. Chairman shared he personally has businesses in Director Eun's building that is dying and is making millions of dollars of investment. He expressed that he would consider an irresponsible comment to say that the businesses are undermining the efforts of GVB. He conveyed this exchange is not what he expects from the management of GVB, that's in charge of revitalizing tourism for Guam. He voiced that GVB Management and Board Directors should be collaborating and working together as a team and should not be airing our differences in the media. He expressed that Vice Chairman Cook has asked for meetings but has been constantly refused, and two weeks later nothing has happened. He voiced the matter of Guam getting back on its feet. Chairman Chiu is asking to find a way to get our tourism numbers back. He then describes that businesses are struggling to survive and taking drastic measures of shutting down some of the operations because of lack of tourists and guests.
- Chairman Chiu then asked Vice Chairman how many meetings he's had for the recovery committee. Vice chairman then came back and reported no meetings made yet.

- President Gutierrez expressed that when the Governor sat here two weeks ago, she handed him a plan that came from outside, generally written by Baldyga that has admitted to writing the plan and handed it to Chairman Chiu and Chairman then handed it to President Gutierrez. The Governor asked President to take and merge it with Management's plan and to come back today. President Gutierrez shared that Vice Chairman Cook wanted to call Management and businesses together to do the merging, which is why there was no meetings made that Vice Chairman Cook requested for daily. President Gutierrez voiced "you are not attacking Carl Gutierrez and Gerry Perez; you are attacking the entire GVB staff and professional management". President Gutierrez expressed as GVB board directors; they should be the ones telling Management what they want instead of taking somebody from the outside. He shared he listened to Baldyga on the Ray Gibson show saying he's gonna get 50 million and sharing the way they're gonna split it up. President Gutierrez conveyed the situation with Baldyga wanting his hands on the GVB funds to do what he did for the last 25 years and stated that it is not going to happen on Managements watch and expressed that it is going to go out to the community. President Gutierrez voiced the disappointment and irresponsibility to the Chairman for handing him over somebody's outside work and telling the President to use that. Chairman then said he did not tell President Gutierrez to "use that". Chairman tried to order the Board of Directors meeting. President Gutierrez indicated that he is protecting the people's resources and shared the urgent need to clear out the place.
- Vice Chairman Cook responded regarding the report, stating that the report was authored by a group of tourism executives, businesses and representatives of the entire industry who have vast experiences and years of experience to contribute their ideas and expertise. He then expressed the recovery is going to be a community effort and must be a joint effort. Vice Chairman Cook's purpose in requesting for meetings was based on his understanding of what Governor Leon Guerrero wanted when she joined the meeting two weeks ago. He indicated that the plan was to get stakeholders together to offer a plan to move forward and to be the best plan and wasn't done to dethrone anyone. He then voiced when Management expressed, they wanted to work on their own, he allowed them to go and was waiting for the report that will be presented in the meeting today.
- Chairman Chiu voiced he takes offense to President Gutierrez's comments that they're attacking the Management of GVB. He shared his purpose to say, the task given by the Governor is to cooperate, work together, and for the recovery committee to be led by the Board Directors. The committee was tasked to work with the Management of GVB to come up with a recovery plan. President Gutierrez expressed that the recovery committee is to come about after Management merged the two. Chairman expressed "Maybe I misunderstood." Chairman Chiu shared that the differences should not be aired in the media and should be working cooperatively together to get Guam back on track.

## VI. MANAGEMENT'S REPORT

- Vice President Perez reported on the Managements' Report
- Management's report can be found on GVB's website

**Fiscal Year 2024**

October 2023 – September 30, 2024 **Total: 753,268 (68.2%)**

% Market Mix	Origin	2023	2024	% of 2024
52.2%	Korea	754,230	688,270	91.2%
27.1%	Japan	464,784	611,627	80.7%
9.9%	US/Canada	94,161	62,257	82.0%
1.6%	Philippines	29,708	18,993	64.3%
0.8%	France	26,245	5,071	19.3%
0.4%	China	12,889	2,888	22.4%
0.1%	Hong Kong	2,262	708	31.3%

**October 2024**

October 1-6, 2024 **Total: 64,759 (37.4%)**

% Market Mix	Origin	2023	2024	% of 2024
68.0%	Korea	22,890	17,522	27.1%
9.2%	Japan	17,417	3,501	5.4%
10.0%	US/Canada	1,054	1,000	1.5%
1.9%	Philippines	348	271	0.4%
0.0%	France	76	76	0.1%
1.0%	China	70	243	0.4%
0.0%	Hong Kong	0	0	0.0%

**Calendar Year to Date 2024**

January – October 8, 2024 **Total: 679,633 (68.6%)**

% Market Mix	Origin	2023	2024	% of 2024
52.6%	Korea	684,170	570,289	83.9%
26.9%	Japan	456,498	585,898	86.2%
9.8%	US/Canada	79,987	64,562	94.7%
1.7%	Philippines	34,843	19,217	27.9%
0.9%	France	26,245	5,102	7.4%
0.5%	China	6,980	2,071	3.0%
0.0%	Hong Kong	2,262	802	1.2%



**Situation**

- Public tourism discussions and recovery strategy had been conflicting issues at both 30,000 feet and ground level
- Has created confusion and misreading of facts
- Briefing this afternoon will take you to where the rubber meets the road and provide information about which you may not be aware, just the facts not ill-informed perceptions

**Context**

- Projected arrivals 60% pre-covid (900,000+ pax) based on outbound travel trend in Korea and Japan (FY 24 budget call in spring 2023)
- Actual arrivals 46.2% (753, 316 pax)
- Tourist Attraction Fund 74% (\$33,346,720)
- Shortfall in arrivals impacted by Mawar, currency weakness (J&K), and heightened competition from cheaper regional destinations

**Context (continued)**

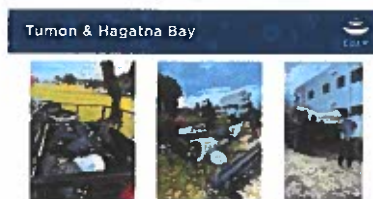
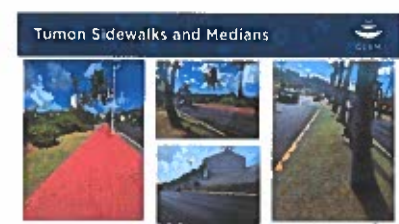
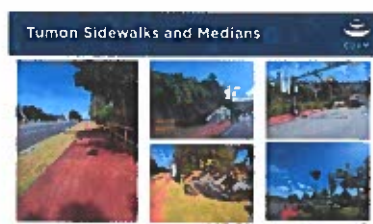
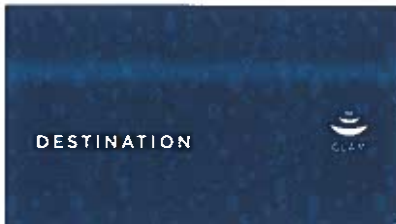
- GVB staff in contact with source markets to understand and address emerging factors of underperformance
- Strategic and tactically driven remedies discussed at length within country marketing reps, travel wholesalers, retailers, and OTA's, airline executives
- Details generally discussed in regularly scheduled GVB Marketing Committee meetings, attended by company representatives in the tourism industry, and participated in all matters discussed

**Context (continued)**

- Tactically or strategically driven initiatives to generate demand, incentivize airlift capacity, travel trade coops and alliances are thoroughly vetted, including budget allocations, timing, and digital channels of communication
- Matters of consequence and urgency are shared at board meetings and adjustments to ongoing programs adjusted as necessary
- Minutes all posted on GVB Corporate website, as well as the twice monthly industry updates, a comprehensive report on real time issues of interest or relevance

**Product Integrity & Destination**

- DD Can be covered in another briefing
- Guam brand identity A US American Community with a unique cultural heritage
- Collaborating with local business and other "touch points" in the value chain to deliver the visitor experience promised in our marketing message



- Director of Global Marketing, Nadine Leon Guerrero and her team from Korea, Japan, and Taiwan market, summarize the recent, current and planned marketing activities.

### Marketing Department

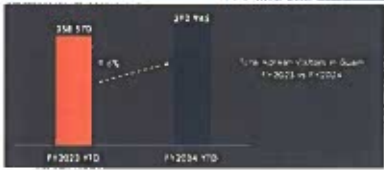
- Despite the pandemic the marketing committees continued to meet
- Committees for J and K active
- Greater China/Taiwan and NAPP Committees
- Outreach to the members, seeking input and sharing plans both locally and abroad

### Air Service Development

- Incentives for airlines from GVB normal
- Difference is how/what is being paid
  - Some incentives were paid
    - for the airlines to fly
    - based upon load factor
    - based upon seats filled
    - To lessen expense to the airline/empty seats
- Airline payouts are just a small portion but seems to be covered in the news

## SOUTH KOREA

### Where We Were



### Where We're Going

**FY2025 KOREA ARRIVAL PROJECTION**

**FY2025 KOREAN VISITOR PROJECTION**  
648,238 Pax (+14% vs FY2024)

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
ARRIVAL	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	540,000
Visitor	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	540,000

### How We're Going to Get There



### FY2025 Korea Marketing Budget Allocation \$5.5M

Category	Sub-category	Amount	Notes
Marketing	Airline Co-op	\$1,200,000	
	Airline Incentive	\$1,500,000	
	Airline Support	\$1,000,000	
	Travel Agency	\$500,000	
	Content Production	\$300,000	
	OOH Media	\$200,000	
	Digital Media	\$150,000	
	Media Buy-in	\$100,000	
	Event	\$50,000	
	Research & Analysis	\$50,000	

### GVB Korea's Airline Strategy

- 3-Prong Approach to Airlines**
- Airline Co-op Promotions \$4,800,000**
    - Website promotions with airlines and travel agency
    - Seabee (discount) and others or share to targeted populations
    - On-airline advertisements and events
    - Open content collaboration
  - Airline Incentive Program \$1,500,000**
    - Incentive support to airlines for marketing coverage (air fare above 82%)
  - Airline Support Program \$1,000,000**
    - GVB supports airlines that sub-guarantee current flight and add new flights (shorter seasonal, regular) by buying all-time a certain rate per flight, thereby sharing the risk

## JAPAN

### JAPAN - Where WE ARE



### Where WE ARE Going

**FY2025 JAPAN ARRIVAL PROJECTION**

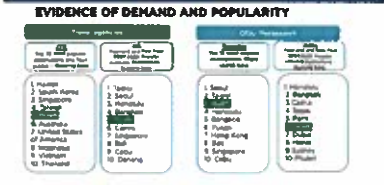
**FY2025 JAPANESE VISITOR PROJECTION**  
326,000 Pax (+21% vs FY2024)

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
ARRIVAL	27,167	27,167	27,167	27,167	27,167	27,167	27,167	27,167	27,167	27,167	27,167	27,167	326,000
Visitor	27,167	27,167	27,167	27,167	27,167	27,167	27,167	27,167	27,167	27,167	27,167	27,167	326,000

### Where WE ARE Going

- MARKETING CHALLENGE AND ACHIEVEMENT**
- The loss of overseas demand due to COVID-19 triggered a drastic shift in media/purchase consumption patterns across Japan from offline to digital.
  - Focused on "Buddie Republic Hand Awareness" and "Domestic Conversion"
  - Since the launch of SNS based brand campaign #ShareWithGuam, the number of #ShareWithGuam has grown to more than 10,000 posts, which has become widespread.
  - Total SNS followers increased to 150,000. Ads and online promotions had over 130M Reach (Instagram/YouTube/TikTok/Twitter/Abema).
  - The biggest mis-vech in Japan, Traveloka's survey shows that Guam is among the top five or three most popular destinations in Spring, Summer, Autumn, and Winter of 2024.
  - GO20 Guam! Haha Ads Campaign (Gogo Pay & Haha Ads Support Campaign) used across all markets (LNT)

### Where WE ARE Going



### How WE ARE to Get There



### FY2025 Japan Budget

Category	Sub-category	Amount	Notes
Marketing	Airline Co-op	\$1,200,000	
	Airline Incentive	\$1,500,000	
	Airline Support	\$1,000,000	
	Travel Agency	\$500,000	
	Content Production	\$300,000	
	OOH Media	\$200,000	
	Digital Media	\$150,000	
	Media Buy-in	\$100,000	
	Event	\$50,000	
	Research & Analysis	\$50,000	

## TAIWAN



**Where We're Going**

**FY2025 TAIWAN ARRIVAL PROJECTION**

**FY2025 TAIWANESE VISITOR PROJECTION**  
\$180 Pax (+204% vs FY2024)

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
ARRIVAL	15	15	15	15	15	15	15	15	15	15	15	15	180
Visitor	15	15	15	15	15	15	15	15	15	15	15	15	180





## VII. REPORT OF THE BOARD COMMITTEES

- No committee reports were made

## VIII. OLD CORPORATION BUSINESS

- Updates on GVB Enabling Legislation & Bylaws
- Discussion on the status of the Guam International Country Club (GICC) Golf Course; GVB's participation in the revitalization

## IX. NEW CORPORATION BUSINESS

### Discussion on the replacement of former legislative-appointed board director Mary Rhodes

- Chairman Chiu welcomed new board director William Nault as appointed by legislature in replacement of board director Mary Rhodes

### Discussion and voting on The Tourism Recovery Plan presented by Management as directed by Governor Lou Leon Guerrero

- Chairman Chiu encouraged board directors to take home and review at next board meeting
- Chairman encouraged recovery committee to review report and give feedback to management

## X. EXECUTIVE SESSION

- None

## XI. AGENDA ITEMS FOR THE NEXT MEETING

- Discussion and approval on Tottenham Hotspur Football Club Resolution
- Discussion and nomination to elect 12<sup>th</sup> board director

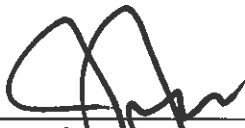
## XII. ANNOUNCEMENTS

### Upcoming Board Meetings:

- November 21, 2024

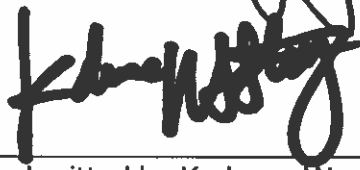
## XIII. ADJOURNMENT

**Director Ada made a motion, seconded by Director Hofmann to adjourn the board meeting at 3:30p.m. Meeting adjourned.**



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Jeffrey Jones, Secretary of the Board of Directors



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Board Minutes respectively submitted by Kadence Wusstig, Assistant to the Executive Assistant and Board Secretary