

## REGULAR BOARD OF DIRECTORS MEETING MINUTES

Monday, January 13, 2025, at 1:30 p.m.

GVB Conference Room and Teleconference – GoToMeeting

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

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### I. CALL TO ORDER

- Chairman Chiu called the meeting to order at 1:31 p.m.

### II. ROLL CALL

**In-Person:** George Chiu, Kin Cook, Milton Morinaga, Jeff Jones, Ho Eun, Robert Hofmann, Mike Sgro, Michelle Merfalen, Ken Yanagisawa, Bill Nault

**Online:** Sonny Ada

### III. MINUTES OF THE PREVIOUS MEETING

**Director Jones made a motion, seconded by Director Yanagisawa, to approve the previous Board of Directors Meeting minutes dated December 23, 2024. Motion approved.**

### IV. ACTION BY THE BOARD

- none

### V. CHAIRMAN'S REPORT

- Congratulated those who have been reelected to the board on January 7<sup>th</sup>.
- Chairman Chiu thanked the membership for their vote of confidence in the four reelected directors: Directors Yanagisawa, Jones, Cook, and himself.
- As a membership organization, Chairman Chiu expressed his desire for a renewed focus on membership in 2025.
  - GVB exists to work for the community and its membership, but it has lost sight of this over the last couple of years.
  - Called on Director Merfalen to conduct simple monkey surveys in 2025.
    - Ask members what areas they would like to see GVB tackle and what areas GVB succeeded in.
    - Inquire to get more input from members.
- The renewed focus is on marketing and various GVB committees. These committees do not have to be headed by a board member but could be headed by any GVB member or management within GVB.
  - He wants to expand the committees to include more people besides GVB employees or board members. He would like to reach out to members and encourage them to actively participate in the committees to get broader input and feedback.

- Comments or recommendations can be relayed to the board members by the committee chairperson or one of the members of management.
- Chairman Chiu looks forward to seeing these changes incorporated as a membership corporation in 2025.

## VI. MANAGEMENT'S REPORT

- Acting President Perez presented the management's report, which can be found on the GVB website.
- Chairman Chiu inquired about the numbers in the Korea Airline turnaround support program.
  - Our target is 55K seats per month
  - We are at 490K seats; we are still short 22K seats
  - Calculating from February 2025, we are short four flights
  - We are still short 750K of pre-COVID, assuming an 80% load factor
  - Find the seats; people will come. 20 thousand more seats will give Guam an economic impact benefit of \$240M from Korea.
  - Need to find more money.

**Chairman Chiu made a motion, seconded by Director Jones, to approve Purchase Order number P25131 to update nine (9) water valves and meters to comply with GWA specifications for \$43 240.00. Motion approved.**

- RFQ was completed; GVB received three responses.
- Plumbing Pros was the lowest and most responsible bidder.

### Airline Incentives

- \$4.9M is available for airline incentives.
- We found \$5M

### Guam Marianas Open - Jiu-Jitsu

- Guam Marians Open originally asked for \$1.5M
- The Marianas Open Jiu-Jitsu event is a request of the governor's support for the Bureau to contribute \$500K of the 4.9M to Guam Marianas Open for Jiu-Jitsu tournaments, a series of jiu-jitsu events.

## VII. REPORT OF THE BOARD COMMITTEES

- A. Executive Committee
  - Nothing to report
- B. Administration & Government
  - Nothing to report
- C. Destination Management / Visitor Safety & Satisfaction
  - Nothing to report
- D. Cultural Heritage & Community Outreach
  - Nothing to report
- E. Research

- Nothing to report
- F. Sports & Events
  - Nothing to report
- G. Japan
  - Director Yanagisawa reported that the GoGo Guam Pay / GoGo Guam Bonus launched and is in effect.
  - A mobile app that travelers download allows them to book travel within a specific timeframe. The travel agent provides a scannable coupon so travelers can load their bonus points onto the app.
  - Once in Guam, they can use their points at participating stores.
  - Most members participate in Japan committee meetings online once a month. Not many show up in person.
- H. Korea
  - GVB has \$9M for the Korea market
  - Governor LG promised \$8M on top of \$5M
    - \$5M has \$1.7M for airline subsidy
  - Korea's budget is \$5.5M
    - \$1M was set aside for turnaround support. \$4M was added to make it \$5M for airline subsidy, separate from marketing dollars.
    - \$4.5 is for marketing and other activities.
- I. Taiwan
  - Director Morinaga reported that more committee members show up online than in person at the monthly meetings. Due to more online attendance, the team has sent monthly reports to committee members.
- J. North America, Pacific, Philippines & New Markets
  - Nothing to report
- K. Membership
  - Chairman Chiu looks forward to ideas that Director Merfalen may have to get membership more involved with GVB.

## **VIII. OLD CORPORATION BUSINESS**

- Due to Director Cook's absence, a report on the Recovery Committee was unavailable.

## **IX. EXECUTIVE SESSION**

- There was no need for an executive session.

## **X. OTHER BUSINESS**

### **President & CEO position**

- The deadline to submit applications for President & CEO is January 15.

Chairman Chiu made a motion, seconded by Director Sgro, to authorize the search committee to review applications and conduct interviews for the President and CEO position. The Motion was **Approved**.

Chairman Chiu made a motion, seconded by Eun, to authorize management to develop a Request for Proposal (RFP) and engage an executive search firm to assist the bureau in identifying a qualified candidate for the position of President & CEO.

#### **Recovery Committee**

- Chairman Chui shared that he received positive feedback from the GVB membership, who are pleased with the Recovery Committee's work, especially with GVB Management and employees, for their hard work, feedback, and participation in the Recovery Committee and the board. Nadine Leon Guerrero and Lisa Bordallo's names were highly mentioned and commended by GVB members for their participation.

#### **Committee Chair**

- Chairman Chiu emphasized that anyone from GVB who is on a committee and would like to chair a committee should come to him. They are looking for someone who wants to work on the committee.

#### **Open Government Law**

Chairman Chiu reminded board directors of the following:

- Decisions regarding the use of public funds are subject to open government law.
- There should be no deliberating or discussions on anything that will be brought up at the board's table for their decision-making.
- Chairman Chiu emphasized that decisions should not be made on the committee level and that the board must make informed decisions.

#### **Request for Proposals**

- Event planning, staycations, and brand messaging are out.

#### **Legislature Appointees**

- The legislature will appoint two individuals to sit on GVB's board, plus an alternate.
- Senator Jesse Lujan, who attended the board meeting, said that when he spoke with the Speaker, he was informed that he would take his time to decide on appointees.

### **XI. ADJOURNMENT**

At 2:53 p.m., Chairman Chiu moved to recess the board meeting until January 24<sup>th</sup>.

## CONTINUATION of the REGULAR BOARD OF DIRECTORS MEETING MINUTES

Friday, January 24, 2025, at 1:30 p.m.

GVB Conference Room and Teleconference – GoToMeeting

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

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### I. CALL TO ORDER

- Chairman Chiu called the board of directors meeting to order at 1:33 p.m.

### II. ROLL CALL

**In-Person:** George Chiu, Kin Cook, Jeff Jones, Ho Eun, Mike Sgro, Michelle Merfalen, Ken Yanagisawa, Bill Nault

**Online:** Sonny Ada, Robert Hofmann

**Absent:** Milton Morinaga

### III. CHAIRMAN'S REPORT

Chairman Chiu reported:

- He would like to focus on the Recovery Committee.
- Would like to see where we are in terms of increasing the number of tourists in Guam; this should be the primary focus moving forward.
- We would like to begin equating events and finding a way to measure their impact to quantify Guam's economic benefit.
- Commended GVB Management and staff working with the Recovery Committee for their hard work, ethics, and willingness to work with the stakeholders in the industry.

#### Electronic Surveys

- Customs electronic surveys began on February 4<sup>th</sup>.
- There is wi-fi in Customs dedicated to EDF.

#### Recovery Committee / Airline Incentives

##### **KOREA**

- Trying to get to 55K seats; the incentive only gets us an additional 68K seats for 11 months.
- We are 200K seats short; that's \$200M of economic impact
  - The big issue is the Korean won
  - A 20% increase in fuel in December 2024 is a significant weight on carriers. Korean won must be converted to USD to purchase fuel.
- The GVB team analyzed the forecast for the year, and it is not close to what the board has in mind.
  - GVB Korea proposed 50K as of April 2024.
  - We are short 12K seats a month.
- Jin Air is in operation, and its contract has been signed. It is on track to come to Guam.

- Korean Air – one triple seven three times a week; Jay with GVB Korea is working to engage with Korean Air.
- Chairman Chiu focuses on Korea; about 80% of seats will be filled if flights come to Guam.
- With the incentive program, once they begin flying, GVB supports them.
  - Three different programs: Fly (additional flights), Co-op support, and load factor.
- Director Eun reported that Jeju is reestablishing its maintenance baseline (3-4 months until it resumes service), Korean Airlines is in the process of rebranding, and Jay from GVB Korea will provide intel later.
  - We can expect some increase once Jeju returns to normal operations and Korean Air finalizes the attraction.
- Management will return to the board with a realistic target number of seats.
- Korea is down 50% from pre-covid.
- 409K seats at 80% load factor is what we can expect out of Korea; 347K tourists
  - We had 392K last year.
  - At 80% load factor, we have 70 K fewer than in 2024 and will continue to be down in the upcoming year.
- We are down 1.7% from 2.7% market share.
- Need to set a higher target on arrivals.

## **JAPAN**

- We have the flights but not the people.
- Management met with the industry on January 30<sup>th</sup>. We discussed the idea of “One Guam” as a vehicle to attract more visitors to Guam.
- A recovery plan has some necessary advantages.
  - JMC discussed the need for an events calendar so people can feel that something is happening in Guam.
  - Requesting the Destination Management team to organize enhanced events/ festivals to attract tourists.

## **GoGo Pay and Guam Bonus Campaign**

- The exchange rate has been severe.
- With a focus on summer, Japan is transitioning from imaging to conversion programs.
  - JGTA requests that GVB extend the GoGo Pay and Guam Bonus Campaign. Agents and consumers alike are happy with the campaign. Consumers are requesting it. These campaigns have been helpful in the conversion. It provides about 3K points, about \$30 per traveler, which can be used for food, purchases, attractions, and activities from participating partners.

## **Airlines & Inbound flights**

- T-way is scheduled to fly in July.
- United brings Guam a mix of people: Military, locals, and tourists. 180 seats. Depending on the booking of returning locals and military the remaining seats, there becomes a limitation to the allocation. Most passengers on T-way will be mostly traveling visitors.
- Over 503K seats in Guam
- The goal is 350K seats for Japan.

- The highest annual outbound travel was 18M, which is now 13M. Our market share, at 3%, gives us 400K people.

Chairman Chiu made the following observation:

Korea needs more planes, there are no flights, Japan has no bodies to fill their seats, and China has an excess of grounded aircraft; they are using their railroad systems.

- He has been asking the Governor to sign Annex 6 because there is a flight between the US and China.
- Guam and Saipan used to be exempt from the flight limitations between the US and China. However, they are no longer exempt, and no one from China to the US will give up their seats to fly to Guam or Saipan.
- The US began a visa waiver program for travelers seeking to enter the US for business or tourism. If Guam is exempt and we give China incentives, we can visit China.
  - If Guam could develop a market for low-cost travel to China with a Chinese carrier, we could boost tourism from China to Guam. About 10 million people have US visas.

#### **Chinese New Year - January 29**

- Korea is on a break from January 28-30.

#### **MILITARY RATES - HOTEL OCCUPANCY**

- Director Eun asked if we could collaborate with the Guam Chamber of Congress and GHRA to reevaluate the military rate on the Hotel Occupancy.

### **IV. OTHER BUSINESS**

#### **Selection Committee**

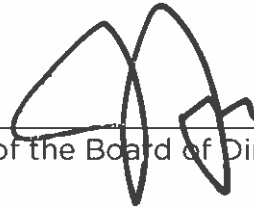
- Chairman Chiu thanked Directors Ada, Yanagisawa, and Eun for reviewing the applications for the President and CEO positions.
- Multiple unknown sources leaked a list containing the applicants' names. The chairman expressed concern and reminded board directors and staff that we must be cognizant of confidential matters.
- Director Ada mentioned that the selection committee was ready to provide a recommendation and to report to the board by following proper protocol.
- The committee completed reviewing applicants, developed a matrix, ranked their order based on the metrics, and short-listed those who would be interviewed. This process was handled only by the Selection Committee, and no other board directors or GVB staff were involved.
  - 13 applicants, 1 dropped out
  - Interviews were completed with the top three highest-ranking candidates.

Based on their reviews and interviews:

  - (1) Regine Bisco-Lee (President)
  - (2) Recommended/suggested EJ Calvo (Deputy GM); unsure of requirements; further discussion is required.
- Legal counsel will review information from the Selection Committee. After reviewing the documents, he will present them to the board for their review in the Executive Session and make a final vote in the public meeting.

## V. ADJOURNMENT

At 3:20 p.m., Chairman Chiu moved to recess the board meeting until Friday, January 29<sup>th</sup> at 1:30 p.m.



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Jeffrey Jones, Secretary of the Board of Directors



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Board Minutes respectively submitted by Valerie Sablan, Executive Assistant