



REGULAR BOARD OF DIRECTORS MEETING MINUTES

Thursday, August 28, 2025, at 1:30 p.m.

GVB Conference Room and Teleconference - Zoom

<https://us02web.zoom.us/j/89090779984?pwd=aeGojojPvOMoNDxc4fVCdfQluBHngK.1>

Meeting ID: 890 9077 9984

Passcode: visitguam

In accordance with the Open Government Law, public meeting notices for this Board meeting were published in the Guam Public Notice website and the Guam Daily Post on Wednesday, August 20, 2025, and on Tuesday, August 26, 2025.

I. CALL TO ORDER

- Vice Chairman Cook called the Board of Directors meeting to order at 1:32 p.m., presiding at the request of Chairman Chiu, who attended remotely.

II. ROLL CALL

In-Person: Kin Cook, Jeffrey Jones, Nathan Denight, Ken Yanagisawa, Milton Morinaga, Michelle Merfalen, Michael Sgro, Joanne Brown (1:35 pm), Robert Hofmann (1:37 pm)

Online: George Chiu, Ho Eun

III. MINUTES OF THE PREVIOUS MEETING

Director Yanagisawa made a motion, seconded by Director Denight, to approve the previous Board of Directors Meeting Minutes dated July 24, 2025. Motion Approved.

IV. ACTION BY THE BOARD

FY2026 Airline Incentive Program

Director Yanagisawa made a motion, seconded by Director Jones, to authorize the President and CEO to expend a total of \$10,000,000 for airline incentives and marketing programs for FY2026. This authorization includes the approval to enter negotiations with airlines, and if negotiations are successful, to enter into contracts, as well as to implement marketing programs relative to airline incentives, related to trade co-ops, media marketing, and social media. All programs must directly support tourism recovery and growth pursuant to the GVB short-term recovery plan. Motion Approved.

Background

Bill No. 44-38 (COR) Chapter 10, Section 10(a) states that, "ten million dollars (\$10,000,000) is hereby authorized to be expended by the Guam Visitors Bureau and shall be utilized for airline incentive programs aimed at supporting tourism recovery and growth." GVB's three-prong strategy incentivizes additional flights and equipment upgrades tied to trade co-ops, media marketing, and social media.

Discussion:

- The board briefly discussed the scope of the funding, its alignment with tourism recovery objectives, and the types of marketing programs included.
- Chairman Chiu proposed amending the motion to provide the President & CEO (Régine) with additional flexibility in spending the \$10 million allocated for airline incentives and marketing programs.
- Concerns were raised regarding unexpected seat availability in specific markets and potential internal airline politics due to the Asiana and Korean Airlines merger.
- President Régine emphasized that the motion includes not only airline incentives but also trade co-ops, media marketing, social media, and other related marketing programs supporting tourism recovery.

Comments from Board Members:

- Director Brown inquired whether the incentive program compensates airlines for each passenger and how this compares to passengers already traveling without the incentive.
- President Régine and Vice President Perez responded that the program targets additional capacity, not passengers already planning to visit. They clarified that the program encompasses multiple initiatives, including marketing promotions, advertising, events, social media, and frontline sales education - designed to drive incremental arrivals.
- Historical results were cited: outreach to markets such as Korea in FY25 led to additional airline seats and measurable growth.
- The program aims to close a gap of 300K-400K arrivals, with a \$10 million investment projected to generate approximately \$85 million in income tax revenue, supporting Guam's economic priorities.
- Implementation is planned for fiscal year 2026, with outcomes to be monitored.
- Director Ho stressed that maintaining airline subsidies and a nimble response are critical for GVB amid changing market conditions, with Korean Air expected to provide reasonable air capacity.

V. CHAIRMAN'S REPORT

Chairman Chiu attended the board meeting remotely while off-island and expressed appreciation to Acting Chairman Cook for presiding in his absence. The Chairman provided a brief report highlighting the following:

1. Acknowledgement of Management and Recovery Committee Efforts

- Complimented GVB management and the Recovery Committee, particularly Mark Baldyga, for their extensive work in developing and obtaining approval for airline incentives and programs essential to Guam's tourism recovery.
- Noted that the economic impact figures presented by GVB management staff were conservative and anticipated that actual impact would be higher when fully realized.

2. Public Communications and Outreach

- Referenced an article authored by Mark Baldyga outlining a four-step process for airline incentives, noting that the first step, airline seats, was successfully completed. He encouraged board members to review and share the article with the public.

3. Tourism Initiatives and Community Engagement

- The Tumon Night Market was highlighted as a positive example of tourism initiatives that benefit small businesses and provide tourists with direct interaction with the local CHamoru community.
- Emphasized that visitor experiences are enhanced not only by attractions but also by engagement with the people of Guam, which helps create memorable visits and encourages return tourism.

4. Ongoing Work and Future Planning

- The Chairman acknowledged that further work remains in improving the destination, including enhancing visitor activities and infrastructure as outlined in the Recovery Committee report.
- He noted the need to analyze survey results in greater detail to understand tourist expectations and indicated that President Régine would collaborate with an external firm to provide further guidance.

The Chairman concluded by expressing satisfaction with management and committee efforts to date, emphasizing that recovery is a long-term process requiring continued effort.

VI. MANAGEMENT'S REPORT

The President welcomed attendees and recognized two new members of the management team:

- Ms. Taryn Guzman, Personnel Services Administrator
- Mr. Christian Valencia, Director of Research

The President then turned the presentation over to Vice President Gerry Perez, who expressed appreciation for the service and contributions of Mayor Paul McDonald, a former GVB board member who had recently passed away. Mayor McDonald served as President of the Mayor's Council of Guam for nine terms and as President of the Association of Pacific Island Local Governments for 19 years. His longstanding leadership and dedication to the community were recognized with gratitude.

Vice President Perez then began with the first portion of the management report. The full management report is available for public viewing on GVB's website.

VII. REPORT OF THE BOARD COMMITTEES

A. Executive Committee

- Nothing to report.

B. Administration & Government

- Approval of FY 2025 Purchase Orders, Contracts, IFBs, and RFPs

CONTRACTS

GVB RFP 2025-009 South Korea Destination Marketing

Highest Rated Offeror
Next Paper Media & Communications, Inc.

Director Hofmann made a motion, seconded by Director Sgro, to approve and authorize the President and CEO as Chief Procurement Officer to contract with highest rated offeror, Next Paper Media & Communications, Inc., at the negotiated price of:

FY2026 Baseline Fee: \$33,000 per month (\$396,000 per annum), plus; Motion Approved.

FY2026 Performance Bonus:

FY2026 Korea Arrival Target Tiers	Target (Pax)	Increase Compared to FY2025 Korea Arrivals	One-Time Bonus	% of Retainer
Conservative	486,527	27%	\$ ---	0%
Moderate	550,777	43%	\$ 19,800.00	5%
Optimistic	604,067	57%	\$ 39,600.00	10%

Background

GVB issued a procurement entitled GVB RFP 2025-005 seeking proposals from professional and experienced agencies to provide marketing services for Korea. The procurement and evaluations were conducted, with Next Paper Media & Communications, Inc. selected as the highest-rated offeror. After evaluations, GVB and Next Paper Media & Communications, Inc. engaged in price negotiations.

As required under 5GCA §5150, this procurement is overseen by the Attorney General's Office. For reference: AG PCF# 25-0130.

Issue

Board approval required.

GVB RFP 2025-005 Destination Marketing Services in Taiwan

Highest Rated Offeror
JCIM Taiwan Ltd.

Hofmann made a motion, seconded by Director Morinaga, to approve and authorize the President and CEO as Chief Procurement Officer to contract with highest rated offeror, JCIM Taiwan Ltd., at the negotiated price of:

FY2026 Management Fee: \$12,500 per month (\$150,000 per annum). Motion Approved.

Background

GVB issued a procurement entitled GVB RFP 2025-005 seeking proposals from professional and experienced agencies to provide marketing services for Taiwan. The procurement and evaluations were conducted, with JCIM Taiwan Ltd. selected as the highest-rated offeror. After evaluations, GVB and JCIM Taiwan Ltd. engaged in price negotiations.

Issue

Board approval required.

GVB RFP 2025-007 Concierge Services

Highest Rated Offeror
NET Enterprises Inc.

Director Hofmann made a motion, seconded by Director Morinaga, to approve and authorize the President and CEO as Chief Procurement Officer to contract with highest rated offeror, NET Enterprises Inc, at the negotiated price of:

FY2026 Fee: \$70,000 per month (\$840,000 per annum). Motion Approved.

Background

GVB issued a procurement entitled GVB RFP 2025-007 seeking proposals from professional and experienced agencies to provide translation services, emergency translation and interpretation services, and incident response. The procurement and evaluations were conducted, with NET Enterprises Inc selected as the highest-rated offeror. After evaluations, GVB and NET Enterprises Inc engaged in price negotiations.

As required under 5GCA §5150, this procurement is overseen by the Attorney General's Office. For reference: AG PCF# 25-0073.

Issue

Board approval required.

RFPs

GVB RFP 2025-012 Tourism Destination CRM, CMS, & Website Services

Director Hofmann made a motion, seconded by Director Denight, to approve and authorize the President and CEO as Chief Procurement Officer to procure and enter negotiations with the highest rated offer for customer relationship management (CRM), content management system (CMS) and website services to commence October 1, 2025 for FY26, with the option to renew for up to three (3) additional fiscal years, and to contract, subject to the availability of funds and upon final approval of the Board of Directors. Motion Approved.

Background

GVB issued a procurement entitled GVB RFP 2025-012 seeking proposals from professional and experienced agencies to provide CRM, CMC & website services. The selected agency will assist GVB to redesign and develop five (5) multilingual responsive consumer travel websites. The websites must render seamlessly on all devices, meeting break-point requirement for desktop, tablet and smart phone. The service also includes secure domains and a fully integrated CMS, CRM and membership portal.

Issue

Board approval required.

GVB RFP 2025-016 GVB Guam Liaison in Taiwan

Director Hofmann made a motion, seconded by Director Jones, to approve and authorize the President and CEO as Chief Procurement Officer to procure and enter negotiations with the highest rated offer for Guam Liaison in Taiwan to commence October 1, 2025 for FY26, with the option to renew for up to three (3) additional fiscal years, and to contract, subject to the availability of funds and upon final approval of the Board of Directors. Motion Approved.

Background

GVB issued a procurement entitled GVB RFP 2025-016 seeking proposals from professional and experienced agencies to provide services for a Guam Liaison in Taiwan. The selected agency will assist GVB with continuing momentum to promote Destination Guam beyond travel tourism in the fields of economic and trade affairs, airport and airline industry intelligence, agriculture and culture and education.

Issue

Board approval required.

GVB RFP 2025-017 Electronic Declaration Form

Director Hofmann made a motion, seconded by Director Denight, to approve and authorize the President and CEO as Chief Procurement Officer to procure and enter negotiations with the highest rated offer for the *Electronic Declaration Form* to commence October 1, 2025 for FY26, with the option to renew for up to three (3) additional fiscal years, and to contract, subject to the availability of funds and upon final approval of the Board of Directors. Motion Approved.

Background

GVB seeks to issue a procurement entitled GVB RFP 2025-017 seeking proposals from professional and experienced agencies to provide the Electronic Declaration Form (EDF). The selected agency will assist GVB in implementing the existing Electronic Declaration Form program and the integration of current passenger screening processes and data analytics software, and effectively managing, analyzing, investigating, and presenting data derived from the EDF.

Issue

Board approval required.

Discussion: Jones - Continue with services

GVB RFP 2025-018 Legal Services

Director Hofmann made a motion, seconded by Director Jones, to approve and authorize the President and CEO as Chief Procurement Officer to procure and enter negotiations with the highest rated offer for legal services to commence October 1, 2025 for FY26, with the option to renew for up to three (3) additional fiscal years, and to contract, subject to the availability of funds and upon final approval of the Board of Directors. Motion Approved.

Background

GVB issued a procurement entitled GVB RFP 2025-018 seeking proposals from professional and experienced law firms to provide legal services. The selected law firm will act as legal counsel for GVB and its Board of Directors and will perform a variety of functions, including but not limited to:

- providing legal advice and guidance on general legal matters and issues
- drafting and reviewing of legal documents
- act as counsel in litigation as required
- prepare opinions, resolutions and reports
- advise on revisions of Guam laws and GVB rules and regulations

Issue

Board approval required.

GVB RFP 2025-019 Insurance Brokerage Services

Director Hofmann made a motion, seconded by Director Denight, to approve and authorize the President and CEO as Chief Procurement Officer to procure and enter negotiations with the highest rated offer for insurance brokerage services to commence October 1, 2025 for FY26, with the option to renew for up to three (3) additional fiscal years, and to contract, subject to the availability of funds and upon final approval of the Board of Directors. Motion Approved.

Background

GVB issued a procurement entitled GVB RFP 2025-019 seeking proposals from professional and experienced brokers to provide insurance brokerage services. The selected broker will provide a range of services, including but not limited to:

- Evaluate GVB's existing insurance program; and, as necessary, recommend changes to terms, conditions or coverage limits to ensure the program is affordable and adequately protects GVB.
- Identify any applicable market trends or exposure trends that GVB should be aware of.

- Design specifications for the insurance program and market the program for coverage for the annual October 1 renewal period.
- Analyze proposals received from various insurance companies and other parties, negotiate changes for the benefit of GVB and verify reasonableness of the price for the coverage period.
- Provide GVB with a summary of various insurance programs options, including, but not limited to limits, coverage, retention levels, terms, conditions and payment options.

Issue

Board approval required.

C. Destination Management / Visitor Safety & Satisfaction

Mayor Hofmann reported the following:

- The next meeting is scheduled for September 11, 2025.
- Letters have been sent to potential new members to reinstitute the committee.
- Additional appointments are expected to strengthen the committee's work.
- Several former members of the Destination Management Committee have expressed interest in returning.

D. Cultural Heritage & Community Outreach

- Mayor Hofmann did not have any updates to report at the time.

E. Research

- Nothing to report.

F. Sports & Events

- Nothing to report.

G. Japan

- Nothing to report.

H. Korea

- Nothing to report.

I. Taiwan

Director Morinaga reported the following:

- GVB hosted an event on September 11, 2025 in Taipei for travel trade and industry partners as well as media representatives. The purpose of the event is to:
 - Provide updates on Guam's current tourism products;
 - Promote the upcoming Guam International Dance Festival; and
 - Highlight the reinstated Guam-Taipei direct flight service by United Airlines, operating twice weekly.

It was further noted that the Board has already approved the related motions for these initiatives.

J. North America, Pacific, Philippines & New Markets

- Meeting minutes were attached, and the next meeting is scheduled for some time in September.

K. Membership

- Director Merfalen expressed appreciation to all members who attended the recent membership meeting, reiterating the acknowledgment made by President Régine. Director Merfalen also reminded members to complete their Fiscal Year 2026 membership, if they have not already done so.

L. Recovery Committee

The Committee Chairman, Mark Baldyga, provided an update on the committee's work.

Committee Acknowledgments

- Recognition was given to members Nate Denight, Vice Chair Ken Yanagisawa, Ben Ferguson, and Sam Shinohara.
- The Committee meets weekly, with frequent communication through chats, texts, and emails.

Economic Forecast

- Projections indicate that if current growth continues at 7-8% annually, Guam faces a \$200 million shortfall within 10 years as construction activity declines.
- If market share is restored, forecasts show a surplus of several hundred million dollars.

Four Pillars of Recovery

Air Service Development

- Substantial progress achieved through management and legislative advocacy.
- \$10 million secured from the Legislature to support airline incentives.
- Pilot program increased airline seat capacity from 30-35,000 seats/month to over 60,000 seats/month, demonstrating effectiveness.
- Consultant retained to streamline and organize incentive programs into 2026.
- Ongoing discussions include:
 - United Airlines: high-level meeting anticipated within 60 days.
 - Philippines: efforts to expand service, including Cebu, with possible widebody and day flight options.
 - Japan: introduction of a low-cost carrier while supporting United Airlines.
 - New markets: Australia, Singapore, Malaysia, Hong Kong, and Taiwan.
- Coordination between GVB and GIAA is at its strongest, with constant communication, weekly management calls, and monthly joint meetings.

Events & Attractions

- The Tumon Night Market launched successfully, achieving:
 - Strong community-tourist interaction.
 - Revitalization of Pleasure Island.
 - Opportunities for local vendors.
 - Minimal disruption to neighborhood businesses.
 - Event management praised for effectiveness.
 - Current cost: \$30,000/week. To be sustainable, costs must be reduced to approximately \$12,000/week.
 - Recommendation: Establish the Night Market as a recurring annual event with a sustainable budget.

Destination Development

- This has been identified as the most significant current weakness.
- RFP prepared by Willie Flores for a large-scale cleanup project (\$3-5 million), covering graffiti removal and infrastructure improvements from Hagåtña to Micronesia Mall. Funding expected from the HOT Bond.
- Interim efforts include a three-person painting crew and collaboration with the Chamber on graffiti removal.
- Concerns were raised about delays, with HOT Bond funding requiring 12-18 months. A recommendation was made to pursue smaller immediate projects using available funds.
- Support is needed from the Legislature and Administration to accelerate funding. Senators have expressed broad support for destination improvements.

Rebranding & Strategic Positioning

- RFP prepared for a Guam rebranding initiative.
- Consumer research by BSP and PKF identified the need for competitive benchmarking and market segmentation.
- Initiative will define strategies for priority segments, including families, multi-generational travelers, students, divers, golfers, and weddings.
- Timeline estimated at 2-3 months.
- Supporting measures:
 - A minimum maintenance standards bill is before the Legislature.
 - There is a need for legislation addressing derelict and blighted properties.

Committee Transition & Strategic Planning

- The Committee's planning phase is largely complete; execution now lies with management.
- Staffing and financial resources remain a concern, as management is balancing daily operations with recovery initiatives.
- Next phase: Development of the Tourism 2030-2040 Strategic Plan, including:
 - A 3-year tactical plan with actionable items.
 - A long-term vision to 2040.
- Emphasis is placed on ensuring execution and avoiding incomplete implementation, as seen with Tourism 2020.

VIII. OLD CORPORATION BUSINESS

- Nothing to report.

IX. EXECUTIVE SESSION

- No Executive Session

X. OTHER BUSINESS

Proceedings: Election of 12th Board Member

Chairman Chiu opened the floor for nominations for the 12th member.

Director Sgro nominated Brian Artero for the position of 12th board member. No further nominations were made. Chairman Chiu declared the nominations closed.

The Chairman called for a vote. A voice vote was conducted. The Chairman announced that Brian Artero was elected as the 12th board member of the GVB Board of Directors and congratulated him on his election.

Other Business

- **Public Knowledge Requirements:** The Board reviewed public knowledge requirements for board meetings.
- **DPW/GVB Cleaning Contract:** A discussion was held regarding payment delays from the DOA/DPW for the cleaning contract. It was noted that the contract was valid and properly signed; however, funding delays persist due to cash flow issues. The Board emphasized the need for continued communication with DOA and DPW regarding outstanding payments and cautioned against entering into future agreements without assured payment.

XI. AGENDA ITEMS FOR THE NEXT MEETING

- No topics for discussion were brought up during the meeting.

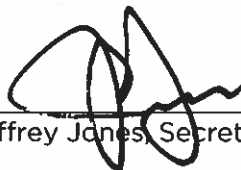
XII. ANNOUNCEMENTS

Upcoming Board Meetings:

- October 23, 2025

XIII. ADJOURNMENT

Director Jones made a motion, seconded by Director Denight, to adjourn the Board of Directors meeting at 2:55 PM. Motion approved.



Jeffrey Jones, Secretary of the Board of Directors

Board Minutes respectively submitted by Valerie Sablan, Executive Assistant