



REGULAR BOARD OF DIRECTORS MEETING MINUTES

Thursday, June 24, 2021, at 1:30 p.m.

GVB Conference Room and Teleconference - GoToMeeting

<https://www.gotomeet.me/GUAMVISITORSBUREAU/gvb-board-meeting>

AGENDA

I. CALL TO ORDER

- A quorum being present, Chairman Morinaga called the Board's regular meeting to order at 1:36 p.m.

II. ROLL CALL

In-Person: Milton Morinaga, Ho S. Eun, Derrick Quinata, Ben Ferguson, Charles Bell, Sam Shinohara, Rudy Paco, Laura Nelson-Cepeda, Sam Shinohara, Stephen Gatewood

Online: Sonny Ada

Absent: Flori-Anne Dela Cruz, Paul Shimizu, Jeff Jones

III. MINUTES OF THE PREVIOUS MEETING

EXHIBIT A

Director Ada made a motion, seconded by Director Shinohara, to approve the previous Board of Directors meeting minutes dated June 10, 2021, subject to minor corrections. Motion Approved.

IV. CHAIRMAN'S REPORT

- Economic forum hosted by GHRA on June 24, 2021
 - GVB representatives Director Shinohara and Nadine Leon Guerrero were on the panel
- A new section was added to Rev & Tax
 - Motor Carrier Safety Assistance Program
 - Federally funded through the Federal Motor Carrier Safety Administration of the U.S. Department of Transportation
 - Provides safety programs to bus companies and commercial drivers; training for safety operations
- Public Hearing Confirmation Paco and Bill 81-36 initially scheduled for June 24th was postponed

V. MANAGEMENT'S REPORT

President Gutierrez reported:

- Air V&V launched
 - Taiwan was the most responsive source market
 - Two tour agencies are working to bring tourists to Guam by Charter flights
 - Pheonix Tours is scheduled to fly into Guam on July 6, 10, 14 and returning on the 18th for passengers
 - Most significant concern - \$880 hotel charge for testing and vaccination expenses
- Suggested that GVB incur the \$75 SARA alert cost (monitoring and reporting for public health)
 - the sole purpose is to protect our community
 - incoming visitors for vaccination shouldn't have to incur that cost



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- Request to be made to Governor LG
 - a week's lead time before July 1st to market the Air V&V program together with the new upcoming protocol
- lead time will allow GVB to recalibrate various costs for the first charter flight
 - the ability to start selling for the new protocol
 - ensure more incoming flights after July 14th
- Various hotels are unaware, unresponsive and have not planned for the launch of Air V&V or incoming visitors

Vice President Perez reported:

Vax N' Win

- Some critics question the validity of the drawing
- Glimpses using "Woorise"
 - 1 Click pick winners
 - Virtual lead generation & marketing platform
- Timeline
 - Monday names drawn and given to DPHSS to verify vaccination or DOD
 - Tuesday-Wednesday receive verified names
 - Wednesday winners announced
- Public announcement deferred to the Governor as a courtesy since she facilitated and sponsored this vaccination campaign initiative

V & V Program

- Have been getting international media buzz
- Finally launched last weekend, not only for U.S Expats
- Hotel packaging, pricing, and booking mechanism done
- Promoting and Marketing in the PI, Taiwan, Korea, Japan
- Initial reaction very positive, and several Taiwan charters arriving July
- Have already vaccinated foreign shipping crew
- Assisting Japan expat doctor and family with local booking three weeks +

- Creating media buzz in source markets
- Korea documentations required for exemption from quarantine



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Half a Price Campaign

Incentivizing Visitor Demand, Transportation, and Accommodations to Enhance the Destination Experience

Objectives

- Generating visitors from source markets Japan, Korea, and Taiwan
- Targeting travel industry marketing and distribution structure
- Offering customer benefits to enhance sales conversion
- Addressing heightened competition with other destinations post Covid-19

- Priming and Preparing visitor hospitality services and attractions

Incentives Menu

1. Front line travel agents
 - a. Organized Fam tours
 - b. Co-Op Advertising
 - c. TA incentives booking 20+ pax
2. Consumers
 - a. Håfa Dollars
 - b. KOL Tourist
 - c. SARA Alert Subsidy
3. Hotels
 - a. Håfa Nights
4. Local Business
 - a. Håfa Golf
 - b. Local Pax
 - c. Håfa License
5. Airlines
 - a. Direct to Airlines
 - b. Charter Organizers
 - c. Travel Agents

Front Line Travel Agents

- Organized fam tours (Funding already embedded in recovery plan)
 - Media, travel trade, influencer (Japan, Korea, Taiwan, PI)
- Coop Advertising (Funding already set aside as above)
 - Airlines, agents, booking platforms

Direct to Travel Agents

Option 1:

- GVB to provide a chance for a round trip ticket to Guam for travel agents who meet a certain threshold
- For every certified **ten pax sold** - the agent will enter a pool for a monthly drawing for a round trip ticket to Guam.
- For every certified **100 pax sold** - the agent will automatically win an expense paid round trip ticket (Airfare + Accommodations) to Guam.
- Estimated Program amount = **\$45,000.00**

Option 2:

- TA Incentives booking 30-50+ pax
 - Front line rewards
 - Will develop cash incentives tiered to group size

Consumer Incentives

Håfa" Dollars

- Concept of purchasing vouchers at “half price” for double the buying power targeted at local consumption.
- Visitors to purchase (\$150 USD) and receive (\$300 USD) in vouchers to be spent at any participating local vendor.
- Early TF discussions envisioned GHRA and GEDA funded participation
- GHRA management thinking of other concepts
 - GHRA now thinking different approach
 - May require GVB involvement (limited capability)
 - Contract financial services vendor, expertise on security controls
- SARA Alert Subsidy- GVB to subsidize the costs of the SARA Alert monitoring system for first visitors. Costs are estimated at \$75.00 per person.

Hotel Incentives

- “Håfa” Nights
 - GVB to subsidize the room costs up to \$200 until the program budget limit is reached.
- Estimated 2,500 visitors occupied rooms redeemed at the maximum program amount of \$200 per room.
- program estimated total budget of **\$500,000.00**
- Exemptions – Federally contracted rooms

Local Business Incentives

Optional Tours

- GVB to subsidize local fees to participate in the optional tour.
- Offers the locals a chance to take part in the industry and immerse themselves in the island.
- Aimed at assisting optional tours in ramping up operations prior to tourism’s return.

Local Transportation

- “Håfa” License
- GVB to subsidize half the costs of taxi drivers registration and Driver’s license renewal fees.
- Opportunity to work directly with DRT for administrative efficiency
- Estimated program costs = **\$37,500.00**
- Bus operators support

Airlines Incentive

Direct to Airlines

- GVB to subsidize the gap between airlines actuals vs. breakeven costs
- Amount Limits based on estimated operational cost tiers
 - Low - \$26,000.00
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Direct to Charter organizers

- GVB to provide \$100 per head to all charter organizers for seats sold.
 - 737 (166 seats) - at 90%LF will receive \$14,900.00
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Marketing Support

- Co-Op marketing, trade FAM tours, social media
- Funding already embedded in current recovery budget

Estimated Budget

- \$1.6 million sourced from current and remaining FY 2021 allotments (net of current operational expenses)
 - \$1.0 million for airlines incentives. Management decision, with the concurrence of Air Service Committee and after-action report to the Board
 - \$0.6 million. Management decision and after-action report to the Board
- All programs will be offered for estimated 6 months or until funds are expended.

Philippine Airlines (reported by President Gutierrez)

- President Gilbert Santa Maria assigned top executives to market Guam's Air V&V Program to three groups
 - Those who have US visas
 - Those who have dual citizenship
 - Expats
- They will consider us marketing in Bangkok and will provide a non-stop service to bring expats from Bangkok to Guam

Preparing the Destination

- Director Paco and team water blasted a wall in Tumon near Bank of Guam to prepare for a destination mural image
- Culvert cleaning to start at the end of this week

Visitor Safety Officers

- Clear illegal dumpsites with assistance from Tamuning Mayor's office

DISCUSSION:

- Director Shinohara wanted to ensure that car rental transportation is included in the subsidy should there be a need for assistance. GIAA is still charging car rental companies for utilizing space. President Gutierrez hopes that GIAA will step in to subsidize car rental transportation.
 - Car rental transportation to be added to the menu for consideration
- Rental car companies took a big hit, and many are out of market; vehicles were sold
- A costly challenge to re-open
- Director Quinata suggested additional subsidy to assist with registration or renewals
- in addition to the taxi renewals, car rental renewals will be added
- Director Bell spoke about the Northern Mariana Islands incentive travel package for travelers staying more than 7 days in Saipan, Rota, and Tinian. The package includes a \$500 pre-paid card per island in travel bucks to be spent at participating local businesses.
 - For Guam to be competitive with the Northern Mariana Islands, Guam would need to expand its travel incentive package to include hotels, restaurants, rental establishments, and more local businesses.
- Director Ada asked if benchmarks had been established in the \$1.6M budget to identify whether each segmented program was successful or not
 - Absorption rate per incentive is unknown at this time until the market opens and opportunities develop.

TAF updates – Reported by Josie Villanueva

- Actual TAF reported by BBMR's website
 - May 2021 –\$708,894 actual collections
 - To date - \$7.38M actual collections
- Allotment received - \$4.25M
- Have not collected the amount for May from BBMR
- Currently on track with \$6.4M

Cash Forecast FY21

GVB Cash Balance Forecast	Cash Balance Projected per approved Adjustments to date	Cash Forecast if Allotment is received as of June 30, 2021	Cash Forecast if Allotment is received in full through Sept. 2021
Cash Balance per TB as of 06/22/21 (After bank recon 05/31/21)	\$ 13,657,759	\$ 13,657,759	\$ 13,657,759
Add: Allotment			
May-21 532,425		532,425	532,425
Jun-21 532,425		532,425	532,425
Jul-21 532,425			532,425
Aug-21 532,425			532,425
Sep-21 532,425			532,425
BSP Grant		14,600	14,600
Additional Allotment - Tourism Recovery		450,000	450,000
Less: Public Law Restricted Funding 392,688			
Booked Payables as of 06/22/21 404,684			
Various Liabilities & Encumbrances 4,145,243			
GVB Board Committed Funds 8,730,833	\$ (13,673,448)	\$ (13,673,448)	\$ (13,673,448)
Net Cash Balance/(Shortfall)	\$ (15,689)	\$ 1,513,761	\$ 3,111,096

The Cash balance forecast until the fiscal year does not account for any anticipated expenditures from the programs/projects that has not gone through procurements process and is in the planning stage.

Cash Forecast FY21

Recap of GVB's Cash Forecast:

Current Bank Balances as of 06/22/21	\$ 13,657,759.00
Add:	
Allotments to be received from May 2021 to September 30 2021 (\$532,425 x 5 months) >>	\$ 2,662,125.00
Additional Allotment related to Va&N Win & Air V&V (Tourism Recovery Efforts) >>	\$ 450,000.00
BSP Grants>>	\$ 14,600.00
Total Available Funds based on Forecast	\$ 16,784,484.00
Less:	
Public law Restricted Funding	\$ 392,688.00
Booked Payables as of 06/22/21	\$ 404,684.00
Other Liabilities & Encumbrances(PO&Contracts)	\$ 4,145,243.00
GVB Board Committed Fundings (CIP & Others)	\$ 8,730,833.00
Net Cash Balance/(Shortfall)	\$ 3,111,096.00

Revisit Destination & Development Contract to increase contracts to spruce up the island for the re-opening plans

Market Recovery Spending Update



Guam Visitors Bureau
Market Recovery Cost Break Down Update
As of June 21, 2021

Market Recovery Cost Breakdown (Initial Proposal)				
Description	Cost	Expenses	Balance	
Japan	\$ 350,000	\$ (59,566)	\$ 290,414	
Korea	\$ 350,000	\$ (340,261)	\$ 9,739	
Taiwan	\$ 148,500	\$ (35,667)	\$ 112,833	
Social Media/NEA/SEA	\$ 270,000	\$ (17,071)	\$ 252,929	
Sub Sector: Optional Tour & Tour Guide Support Program	\$ 651,500	\$ (37,216)	\$ 614,284	
Research: In Country	\$ 150,000	\$ -	\$ 150,000	
Tourism Works: DD	\$ 50,000	\$ (40,351)	\$ 9,649	
Crisis Communication Plan (Tourism Industry): DD	\$ 30,000	\$ (17,400)	\$ 12,600	
VSOs: DD/VS	\$ 200,000	\$ (87,757)	\$ 112,243	
Total	\$ 2,200,000	\$ (635,209)	\$ 1,564,791	

Recap of Market Recovery Funding Source:	
Committed Funds transferred from Ypao & Matapang CAPEX	\$ 1,000,000
Rainy Day Fund - 50% board approved	\$ 623,489
Rainy Day Fund - 50% legislature approval	\$ 619,064
FY20 Carry Over Board Approved	\$ 1,246,726
Total Funds Available for Market Recovery	\$ 3,489,279
Less: Total Marketing Recovery Expended from Cost Breakdown	\$ (635,209)
Residual Balance	\$ 2,854,070

DISCUSSIONS

- None of the Various Liabilities & Encumbrances in the amount of \$4.1M is double counted in GVB Board committed funds. They have been excluded from the report extraction.
- \$3.1M is net of other obligations and operational expenses forecast for the remainder of FY21.
- The Market Recovery is part of the \$8.7 GVB Board committed funds (CIP & others)
- GVB went from a \$23M budget to \$6M
- Director Ferguson suggested a 13 column FY reporting format enabling the Board to see in detail how they envision the \$8.7 committed funds, when the funds will be expended, etc.
 - The 13-column format will help the process if there is an opportunity to reprogram some funding

VII. REPORT OF THE BOARD COMMITTEES

A. EXECUTIVE COMMITTEE

- Nothing to report.

B. ADMINISTRATION & GOVERNANCE

Director Quinata made a motion, seconded by Eun, to approve office improvement to maximize working space at the admin office and add a mini-conference room to hold small meetings. Office improvement will be located adjacent to the unused section of the reception area. We received a package quote from the lowest responsible and responsive offeror totaling \$53,875. There may be associated costs due to the renovation. We request the Board's approval to fund a contingent increase for any unforeseen snags not to exceed \$100,000. Management will ensure that cost is controlled and stay within the necessity to complete the project following procurement guidelines. **Motion Approved.**

Background: Last year, the GVB mini-conference room was decommissioned when the research team from the airport occupied the space. This limits the available meeting room. The admin wing of the GVB building also needs additional workstations to accommodate employees and assign dedicated desk spaces. It was an extended overdue plan to remove the giant concrete slab with glass blocks (non-functional, just a decorative divider) at the middle of the admin office. With limited workspace, walkways, and filing cabinets, this project is determined to be a necessity.

Cost Estimate: Not to exceed \$100,000.

Funding Source/Account: Capital Improvements related to Facility Enhancement.

Action Required: Board Approval Required

Funding Background:

From Board committed funding under - Admin Repairs and Maintenance - Facility Enhancement - \$239,392.49 from FY2009

C. REOPENING TASK FORCE

- Director Shinohara reported on the June 24th Economic Forum
- Governor LG mentioned the Physicians Advisory Group and Surgeon cell is comfortable with the 75% vaccination rate
- Comfortable with making significant changes to entry protocols into Guam
- Next Task Force meeting - June 30th

GUAM HÅFA ADAI, HALF A PRICE CAMPAIGN

Director Shinohara made a motion, seconded by Director Eun, to approve up to \$1.6 million from current and remaining FY2021 allotments (net of current operational expenses) for GVB's recovery incentive campaign to generate visitors from our source markets (Japan, South Korea, and Taiwan), to target travel industry marketing and distribution structure, to offer customer benefits to enhance sales conversion, to address competition with other destinations post COVID-19, and to prime and prepare Guam's visitor hospitality services and attractions. **Motion Approved.**

Background: The Guam Håfa Adai, Half a Price Campaign aims to incentivize visitor demand, transportation, and accommodations, enhancing the destination experience for the visitor. There are five recommended components of the campaign (*only four to be covered in the requested budget*):

1. **FRONTLINE TRAVEL AGENTS:**

One option is for GVB to provide a chance for agents who meet a certain threshold to win a roundtrip ticket to Guam:

- For every certified 10 pax sold, agent will be entered into a pool for a monthly drawing for a round trip ticket to Guam.
- For every certified 100 pax sold, agent will automatically win an expense paid roundtrip ticket (airfare plus accommodations) to Guam.

Another option is TA incentives for those booking 30-50+ pax:

- Front line rewards.
- Will develop cash incentives tiered to group-size.

Estimated program amount = \$45,000.00.

2. **HOTELS (*federally-contracted rooms are exempted*):**

The incentive is based on "Håfa" nights, with GVB subsidizing the room costs up to \$200 until program budget limit is reached. GVB is estimating 2,500 visitor-occupied rooms redeemed at the maximum program amount of \$200 per room.

Estimated program amount = \$500,000.00.

3. **LOCAL BUSINESS - OPTIONAL TOURS AND LOCAL TRANSPORTATION**

For optional tours, GVB will subsidize locals fee to participate in the optional tour, allowing the locals a chance to take part in the industry and immerse themselves in the island and to assist the operator in ramping up its operations prior to tourism's return.

For local transportation companies, the incentive is based on "Håfa" license. GVB will subsidize half the cost of the taxi driver's registration and driver's license renewal fees. It is an opportunity to work directly with DRT for administrative efficiency.

Estimated program amount = \$37,500.00.

4. AIRLINES

Directly to airlines, GVB will subsidize the gap between airlines actuals versus breakeven costs. Amount limits based on estimated operational cost tiers: Low - \$26,000.00; Mid - \$36,000.00; High - \$47,000.00 (back-loaded incentive to sustain initial service, but available if needed front end start up).

Directly to charter organizers, GVB will provide \$100 per head to all charter organizers for seats sold. 737 (166 seats) at 90% load factor will receive \$14,900.00 and 737 (166 seats) at 95% load factor will receive \$15,800.00.

Estimated program amount = \$1 million.

5. CONSUMERS (**not included - to be administered and funded by GEDA/GHRA*):

The incentive is based on "Håfa" dollars, with the concept of purchasing vouchers at "half price" for double the buying power targeted at local consumption. Visitors are able to purchase \$300 USD vouchers for \$150 USD to be spent at any participating local vendor.

Issue: Board approval required.

DISCUSSION

- Director Shinohara suggested Management should be given time to develop the programs further

D. AIR SERVICE DEVELOPMENT

Committee Minutes dated June 9, 2021

EXHIBIT C

- Nothing to report

E. DESTINATION MANAGEMENT/VISITOR & SAFETY SATISFACTION

- Nothing to report

F. CULTURAL HERITAGE, COMMUNITY OUTREACH & BRANDING

- Nothing to report

G. RESEARCH / MEMBERSHIP

- Nothing to report

H. SPORTS & EVENTS

- Opportunity to include Guam in a three destination PGA Tour Asia Series event
- Hongkong and Singapore courses identified
- Guam will be the first leg of the tour - anticipating three day event first week of November
- 132 Pros - 50% from Canada and US other 50% from our target markets
- Obtain sponsorship
- Requesting a conservative budget - a guaranteed price vs. \$375K
- Additional cost to run the tournament, costs to shuttle people, printing sponsorship signages
- Estimated budget to Guam is \$528K
- Estimated media exposure \$2.1M

Director Quinata made a motion, seconded by Director Gatewood, for the Board to allow Management direct communication with the PGA Tour group to discuss the Asia Series event. Management to report to the Board before making any decisions. Motion Approved.

I. JAPAN

Committee Minutes dated June 15, 2021

EXHIBIT D

- Nothing to report

J. KOREA

Committee Minutes dated June 15, 2021

EXHIBIT E

- Director Ferguson reported Korea to be the hottest of all the source markets
- Well positioned to have a shorter recovery period in the market

K. TAIWAN

Committee Minutes dated June 11, 2021

EXHIBIT F

- Nothing to report

L. NEW MARKETS

- Nothing to report

M. NORTH AMERICA, PACIFIC & PHILIPPINES

- Nothing to report

VIII. OLD BUSINESS

- No Old Business

IX. NEW BUSINESS

- No Old Business

X. EXECUTIVE SESSION

- No Executive Session

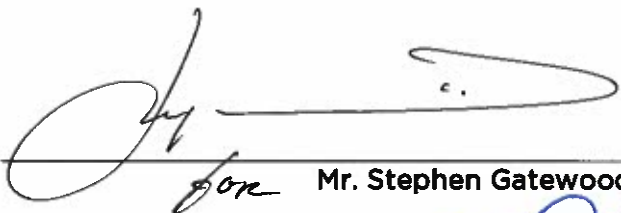
XI. ANNOUNCEMENTS

Upcoming Board Meetings:

- July 08, 2021
- July 22, 2021

XII. ADJOURNMENT

Chairman Morinaga made a motion, seconded by Gatewood, to adjourn the Board of Directors regular board meeting at 2:55 p.m. **Motion Approved.**



for **Mr. Stephen Gatewood, Secretary of the Board of Directors**



Board Minutes respectively submitted by Valerie Sablan, Executive Secretary

- Request to be made to Governor LG
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- They will consider us marketing in Bangkok and will provide a non-stop service to bring expats from Bangkok to Guam

Preparing the Destination

- Director Paco and team water blasted a wall in Tumon near Bank of Guam to prepare for a destination mural image
- Culvert cleaning to start at the end of this week

Visitor Safety Officers

- Clear illegal dumpsites with assistance from Tamuning Mayor's office

DISCUSSION:

- Director Shinohara wanted to ensure that car rental transportation is included in the subsidy should there be a need for assistance. GIAA is still charging car rental companies for utilizing space. President Gutierrez hopes that GIAA will step in to subsidize car rental transportation.
 - Car rental transportation to be added to the menu for consideration
- Rental car companies took a big hit, and many are out of market; vehicles were sold
- A costly challenge to re-open
- Director Quinata suggested additional subsidy to assist with registration or renewals
- in addition to the taxi renewals, car rental renewals will be added
- Director Bell spoke about the Northern Mariana Islands incentive travel package for travelers staying more than 7 days in Saipan, Rota, and Tinian. The package includes a \$500 pre-paid card per island in travel bucks to be spent at participating local businesses.
 - For Guam to be competitive with the Northern Mariana Islands, Guam would need to expand its travel incentive package to include hotels, restaurants, rental establishments, and more local businesses.
- Director Ada asked if benchmarks had been established in the \$1.6M budget to identify whether each segmented program was successful or not
 - Absorption rate per incentive is unknown at this time until the market opens and opportunities develop.

TAF updates – Reported by Josie Villanueva

- Actual TAF reported by BBMR's website
 - May 2021 –\$708,894 actual collections
 - To date - \$7.38M actual collections
- Allotment received - \$4.25M
- Have not collected the amount for May from BBMR
- Currently on track with \$6.4M

Cash Forecast FY21

GVB Cash Balance Forecast	Cash Balance Projected per approved Adjustments to date	Cash Forecast if Allotment is received as of June 30, 2021	Cash Forecast if Allotment is received in full through Sept. 2021
Cash Balance per TB as of 06/22/21 (After bank recon 05/31/21)	\$ 13,657,759	\$ 13,657,759	\$ 13,657,759
Add: Allotment			
May-21 532,425		532,425	532,425
Jun-21 532,425		532,425	532,425
Jul-21 532,425			532,425
Aug-21 532,425			532,425
Sep-21 532,425			532,425
BSP Grant		14,600	14,600
Additional Allotment - Tourism Recovery		450,000	450,000
Less: Public Law Restricted Funding 392,688			
Booked Payables as of 06/22/21 404,684			
Various Liabilities & Encumbrances 4,145,243			
GVB Board Committed Funds 8,730,833			
Net Cash Balance/(Shortfall)	\$ (13,673,448)	\$ (13,673,448)	\$ (13,673,448)

The Cash balance forecast until the fiscal year does not account for any anticipated expenditures from the programs/projects that has not gone through procurements process and is in the planning stage.

Cash Forecast FY21

Recap of GVB's Cash Forecast:

Current Bank Balances as of 06/22/21	\$ 13,657,759.00
Add:	
Allotments to be received from May 2021 to September 30 2021 (\$532,425 x 5 months) >>	\$ 2,662,125.00
Additional Allotment related to Va&N Win & Air V&V (Tourism Recovery Efforts) >>	\$ 450,000.00
BSP Grants>>	\$ 14,600.00
Total Available Funds based on Forecast	\$ 16,784,484.00
Less:	
Public law Restricted Funding	\$ 392,688.00
Booked Payables as of 06/22/21	\$ 404,684.00
Other Liabilities & Encumbrances(PO&Contracts)	\$ 4,145,243.00
GVB Board Committed Fundings (CIP & Others)	\$ 8,730,833.00
Net Cash Balance/(Shortfall)	\$ (13,673,448.00)

Revisit Destination & Development Contract to increase contracts to spruce up the island for the re-opening plans

Market Recovery Spending Update



Guam Visitors Bureau
Market Recovery Cost Break Down Update
As of June 21, 2021

Market Recovery Cost Breakdown (Initial Proposal)				
Description	Cost	Expenses	Balance	
Japan	\$ 350,000	\$ (59,566)	\$ 290,414	
Korea	\$ 350,000	\$ (340,261)	\$ 9,739	
Taiwan	\$ 148,500	\$ (35,667)	\$ 112,833	
Social Media/NEA/SEA	\$ 270,000	\$ (17,071)	\$ 252,929	
Sub Sector: Optional Tour & Tour Guide Support Program	\$ 651,500	\$ (37,216)	\$ 614,284	
Research: In Country	\$ 150,000	\$ -	\$ 150,000	
Tourism Works: DD	\$ 50,000	\$ (40,351)	\$ 9,649	
Crisis Communication Plan (Tourism Industry): DD	\$ 30,000	\$ (17,400)	\$ 12,600	
VSOs: DD/VS	\$ 200,000	\$ (87,757)	\$ 112,243	
Total	\$ 2,200,000	\$ (635,209)	\$ 1,564,791	

Recap of Market Recovery Funding Source:	
Committed Funds transferred from Ypao & Matapang CAPEX	\$ 1,000,000
Rainy Day Fund - 50% board approved	\$ 623,489
Rainy Day Fund - 50% legislature approval	\$ 619,064
FY20 Carry Over Board Approved	\$ 1,246,726
Total Funds Available for Market Recovery	\$ 3,489,279
Less: Total Marketing Recovery Expended from Cost Breakdown	\$ (635,209)
Residual Balance	\$ 2,854,070

DISCUSSIONS

- None of the Various Liabilities & Encumbrances in the amount of \$4.1M is double counted in GVB Board committed funds. They have been excluded from the report extraction.
- \$3.1M is net of other obligations and operational expenses forecast for the remainder of FY21.
- The Market Recovery is part of the \$8.7 GVB Board committed funds (CIP & others)
- GVB went from a \$23M budget to \$6M
- Director Ferguson suggested a 13 column FY reporting format enabling the Board to see in detail how they envision the \$8.7 committed funds, when the funds will be expended, etc.
 - The 13-column format will help the process if there is an opportunity to reprogram some funding

VII. REPORT OF THE BOARD COMMITTEES

A. EXECUTIVE COMMITTEE

- Nothing to report.

B. ADMINISTRATION & GOVERNANCE

Director Quinata made a motion, seconded by Eun, to approve office improvement to maximize working space at the admin office and add a mini-conference room to hold small meetings. Office improvement will be located adjacent to the unused section of the reception area. We received a package quote from the lowest responsible and responsive offeror totaling \$53,875. There may be associated costs due to the renovation. We request the Board's approval to fund a contingent increase for any unforeseen snags not to exceed \$100,000. Management will ensure that cost is controlled and stay within the necessity to complete the project following procurement guidelines. **Motion Approved.**

Background: Last year, the GVB mini-conference room was decommissioned when the research team from the airport occupied the space. This limits the available meeting room. The admin wing of the GVB building also needs additional workstations to accommodate employees and assign dedicated desk spaces. It was an extended overdue plan to remove the giant concrete slab with glass blocks (non-functional, just a decorative divider) at the middle of the admin office. With limited workspace, walkways, and filing cabinets, this project is determined to be a necessity.

Cost Estimate: Not to exceed \$100,000.

Funding Source/Account: Capital Improvements related to Facility Enhancement.

Action Required: Board Approval Required

Funding Background:

From Board committed funding under - Admin Repairs and Maintenance - Facility Enhancement - \$239,392.49 from FY2009

C. REOPENING TASK FORCE

- Director Shinohara reported on the June 24th Economic Forum
- Governor LG mentioned the Physicians Advisory Group and Surgeon cell is comfortable with the 75% vaccination rate
- Comfortable with making significant changes to entry protocols into Guam
- Next Task Force meeting - June 30th

GUAM HÅFA ADAI, HALF A PRICE CAMPAIGN

Director Shinohara made a motion, seconded by Director Eun, to approve up to \$1.6 million from current and remaining FY2021 allotments (net of current operational expenses) for GVB's recovery incentive campaign to generate visitors from our source markets (Japan, South Korea, and Taiwan), to target travel industry marketing and distribution structure, to offer customer benefits to enhance sales conversion, to address competition with other destinations post COVID-19, and to prime and prepare Guam's visitor hospitality services and attractions. **Motion Approved.**

Background: The Guam Håfa Adai, Half a Price Campaign aims to incentivize visitor demand, transportation, and accommodations, enhancing the destination experience for the visitor. There are five recommended components of the campaign (*only four to be covered in the requested budget*):

1. **FRONTLINE TRAVEL AGENTS:**

One option is for GVB to provide a chance for agents who meet a certain threshold to win a roundtrip ticket to Guam:

- For every certified 10 pax sold, agent will be entered into a pool for a monthly drawing for a round trip ticket to Guam.
- For every certified 100 pax sold, agent will automatically win an expense paid roundtrip ticket (airfare plus accommodations) to Guam.

Another option is TA incentives for those booking 30-50+ pax:

- Front line rewards.
- Will develop cash incentives tiered to group-size.

Estimated program amount = \$45,000.00.

2. **HOTELS (*federally-contracted rooms are exempted*):**

The incentive is based on "Håfa" nights, with GVB subsidizing the room costs up to \$200 until program budget limit is reached. GVB is estimating 2,500 visitor-occupied rooms redeemed at the maximum program amount of \$200 per room.

Estimated program amount = \$500,000.00.

3. **LOCAL BUSINESS - OPTIONAL TOURS AND LOCAL TRANSPORTATION**

For optional tours, GVB will subsidize locals fee to participate in the optional tour, allowing the locals a chance to take part in the industry and immerse themselves in the island and to assist the operator in ramping up its operations prior to tourism's return.

For local transportation companies, the incentive is based on "Håfa" license. GVB will subsidize half the cost of the taxi driver's registration and driver's license renewal fees. It is an opportunity to work directly with DRT for administrative efficiency.

Estimated program amount = \$37,500.00.

4. AIRLINES

Directly to airlines, GVB will subsidize the gap between airlines actuals versus breakeven costs. Amount limits based on estimated operational cost tiers: Low - \$26,000.00; Mid - \$36,000.00; High - \$47,000.00 (back-loaded incentive to sustain initial service, but available if needed front end start up).

Directly to charter organizers, GVB will provide \$100 per head to all charter organizers for seats sold. 737 (166 seats) at 90% load factor will receive \$14,900.00 and 737 (166 seats) at 95% load factor will receive \$15,800.00.

Estimated program amount = \$1 million.

5. CONSUMERS (**not included - to be administered and funded by GEDA/GHRA*):

The incentive is based on "Håfa" dollars, with the concept of purchasing vouchers at "half price" for double the buying power targeted at local consumption. Visitors are able to purchase \$300 USD vouchers for \$150 USD to be spent at any participating local vendor.

Issue: Board approval required.

DISCUSSION

- Director Shinohara suggested Management should be given time to develop the programs further

D. AIR SERVICE DEVELOPMENT

EXHIBIT C

Committee Minutes dated June 9, 2021

- Nothing to report

E. DESTINATION MANAGEMENT/VISITOR & SAFETY SATISFACTION

- Nothing to report

F. CULTURAL HERITAGE, COMMUNITY OUTREACH & BRANDING

- Nothing to report

G. RESEARCH / MEMBERSHIP

- Nothing to report

H. SPORTS & EVENTS

- Opportunity to include Guam in a three destination PGA Tour Asia Series event
- Hongkong and Singapore courses identified
- Guam will be the first leg of the tour - anticipating three day event first week of November
- 132 Pros - 50% from Canada and US other 50% from our target markets
- Obtain sponsorship
- Requesting a conservative budget - a guaranteed price vs. \$375K
- Additional cost to run the tournament, costs to shuttle people, printing sponsorship signages
- Estimated budget to Guam is \$528K
- Estimated media exposure \$2.1M

Director Quinata made a motion, seconded by Director Gatewood, for the Board to allow Management direct communication with the PGA Tour group to discuss the Asia Series event. Management to report to the Board before making any decisions. Motion Approved.

I. JAPAN

EXHIBIT D

Committee Minutes dated June 15, 2021

- Nothing to report

J. KOREA

Committee Minutes dated June 15, 2021

EXHIBIT E

- Director Ferguson reported Korea to be the hottest of all the source markets
- Well positioned to have a shorter recovery period in the market

K. TAIWAN

Committee Minutes dated June 11, 2021

EXHIBIT F

- Nothing to report

L. NEW MARKETS

- Nothing to report

M. NORTH AMERICA, PACIFIC & PHILIPPINES

- Nothing to report

VIII. OLD BUSINESS

- No Old Business

IX. NEW BUSINESS

- No Old Business

X. EXECUTIVE SESSION

- No Executive Session

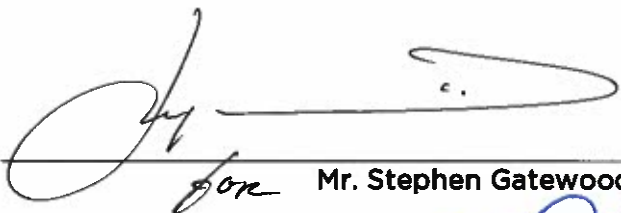
XI. ANNOUNCEMENTS

Upcoming Board Meetings:

- July 08, 2021
- July 22, 2021

XII. ADJOURNMENT

Chairman Morinaga made a motion, seconded by Gatewood, to adjourn the Board of Directors regular board meeting at 2:55 p.m. **Motion Approved.**



for Mr. Stephen Gatewood, Secretary of the Board of Directors



Board Minutes respectively submitted by Valerie Sablan, Executive Secretary