



## REGULAR BOARD OF DIRECTORS MEETING MINUTES

Thursday, September 23, 2021, at 1:30 p.m.

GVB Conference Room and Teleconference - GoToMeeting

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

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### I. CALL TO ORDER

- A quorum being present, Chairman Morinaga called the Board's regular meeting to order at 1:32 pm.

### II. ROLL CALL

**In-Person:** Milton Morinaga, Paul Shimizu, Sonny Ada, Rudy Paco, Ho Eun, Ben Ferguson, Charles Bell, Jeff Jones, Sam Shinohara,

**Online:** Flori-Ann Dela Cruz, Laura Cepeda, Derrick Quinata

**Absent:** Steve Gatewood

### III. MINUTES OF THE PREVIOUS MEETING

EXHIBIT A

Vice Chairman Shimizu made a motion, seconded by Director Shinohara, to approve the previous Board of Directors meeting minutes dated September 9, 2021, subject to minor corrections. **Motion Approved.**

### IV. CHAIRMAN'S REPORT

Chairman Morinaga reported:

- COVID numbers remain high
- Important Board meeting; if unable to finish as scheduled, will continue with the budget next week
- October 10<sup>th</sup> is Taiwan's Independence Day

## V. MANAGEMENT'S REPORT

Vice President Perez reported:

### Guam Situation

JIC Release No. 796

CENSUS as of 6 p.m.	Guam Memorial Hospital	Guam Regional Medical City	U.S. Naval Hospital	TOTAL
COVID-19 Admission	40	29	3	72
ICU	8	3	1	12
Ventilator	7	0	1	8
Vaccination Status	25 UNVACCINATED	21 UNVACCINATED	UNAVAILABLE	46 UNVACCINATED

\*117,044 (12 years & older) fully immunized | 85.8%

### Global Situation

	GLOBAL	USA	GUAM
<b>COVID-19 Cases</b>	<b>229.9M</b>	<b>42.5M</b>	<b>13,997</b>
<b>Deaths</b>	<b>4.7M</b>	<b>680,682</b>	<b>182</b>
<b>% Fatal</b>	<b>2.1%</b>	<b>1.6%</b>	<b>1.3%</b>

Sources: Johns Hopkins 9/23; JIC Release No. 796 9/22

### Vaccination by Market

- Korea is closing the gap with Japan in vaccination levels
- Good news for Guam; Korean flights are starting to arrive

**Calendar YTD**

**Calendar Year to Date 2021** 

**January - September 19, 2021**

**Total: 51,614 (-83.8%)**

% Market Mix	Origin	2020	2021	% to LY
5.4%	Japan	143,761	2,809	-98.0%
3.2%	Korea	124,003	1,646	-98.7%
4.2%	Taiwan	4,530	2,174	-52.0%
0.2%	China	2,037	103	-94.9%
66.9%	US/Hawaii	26,857	34,551	28.6%
3.5%	Philippines	2,812	1,816	-35.4%
0.0%	Hong Kong	474	20	-95.8%
0.1%	Russia	472	47	-90.0%

Source: Guam Customs Declaration Forms, Processed by the Guam Visitors Bureau.

Note: September 2021 Daily Arrivals reflect Chibao Air arrivals only.

- No longer have benefits of the Taiwan V&V Program
- US/Hawaii arrivals driven by Military activity

**Fiscal YTD**

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**Some Positive News**

- Korea: Fully vaccinated 43% of total pop 50% of adults
- Closing the gap with Japan at 55% pop vaccinated
- Chuseok Holiday Jeju Air Charter 105 pax arrived 9/18 and 2<sup>nd</sup> flight 9/22
- Biden to lift restrictions for fully vaccinated foreign travelers in November

- CDC to order collection of phone numbers and email addresses for “New” contact-tracing system
- Vaccination eligibility rates in Japan and Korea are for those 18 years old and above

### **Chuseok Charter Flights**

- GVB, in partnership with the A.B. Won Pat International Airport (GIAA), welcomed Jeju Air’s Chuseok charter flight on September 18<sup>th</sup> with 105 pax. About 27 returning residents.
- This was Jeju Air’s first flight operation since the pandemic.
- Jeju Air also had another charter flight on September 22<sup>nd</sup> with 22 pax.
- Jeju Air is scheduled to resume regular service 2x weekly starting October 28<sup>th</sup>.
- If the inoculation rate improves, likely flights will hold

### **EDF & HDF Processing Update**

- Convenient personal experiences (staff and board member) but three key issues still need to be resolved:
  1. Delays due to the predominant use of printed forms, arriving passengers not informed of QR code
    - a) Customs Forms usage: Hard copies (86%) vs. EDF/QR code (14%)
    - b) Getting HDF QR Code 15-20 minutes. Better filled out before departure for 5-10-minute processing time
  2. HDF is still only in English; major problem when arrivals scale up from J-K-T
  3. GVB has provided translations; Public Health still needs to procure vendor for QR code in Japanese, Korean and Chinese languages
- Director Ferguson shared his experience upon recent arrival
  - EDF is easy to download, and the process went well
  - HDF was difficult to find on Google; eventually found it on the DPHSS website
    - Vaccination Verification upload was unsuccessful after many attempted routes
    - DPHSS did not accept QR Code upon his arrival; Per Nico, they’re not necessarily scanning the code but asking passengers their last names
    - The process could be enhanced for seamless use; suggested that information should be given to passengers with a link
  - Suggested forms are uploaded to the GVB website

### **Destination Management Report**

- GVB extended appreciation to Sivalingam Subramaniam and UMS Heavy Equipment Rental for their contribution in prepping the site area for the next mural project.

### **#InstaGuam**

- GVB has relaunched its weekly #InstaGuam photo and video contest. The local community is encouraged to submit pictures and videos of what they love about Guam to [visitguam.com/instaguam](http://visitguam.com/instaguam). Three winners selected so far.

- GVB thanked sponsors; Vince Jewelers, Rakuten Travel Guam, UOG Endowment Foundation, Micronesia Mall, & DKSH Guam, Inc. dba Time & Style by Caronel for their donations and support

## Air Service Status Update

### Japan

Carrier	Departing From	Frequency	Status
United (UA827)	Tokyo (Narita)	Daily	Suspended until October 30, 2021
United (UA197)	Tokyo (Narita)	Daily	Currently Operating
United (UA874)	Tokyo (Narita)	Daily	Suspended until October 30, 2021
United (UA136)	Nagoya	Daily	Suspended until October 30, 2021
United (UA172)	Nagoya	Daily	Suspended until October 30, 2021
United (UA150)	Osaka	Daily	Suspended until October 30, 2021
United (UA178)	Osaka	3x weekly	Suspended until October 30, 2021
United (UA166)	Fukuoka	Daily	Suspended until October 30, 2021
Japan Airlines	Tokyo (Narita)	Daily	Suspended until November 30, 2021
T'way	Osaka	Daily	Suspended until October 30, 2021
JEJU Air	Osaka	Daily	Suspended until

### Korea

Carrier	Departing From	Frequency	Status
Korean Airlines	Seoul	1x weekly	Currently Operating (2x weekly in October)
Jin Air	Seoul	2x weekly	Currently Operating
T'way	Seoul	2x weekly	Currently Operating
Jeju Air	Seoul	2x weekly	Beginning October 28
Air Seoul	Seoul	1x weekly	Beginning October 8
Air Busan	Busan	2x weekly	Beginning November 4

### Philippines

Carrier	Departing From	Frequency	Status
United Airlines	Manila	Daily	Currently Operating
Philippine Airlines	Manila	2x weekly	Currently Operating

## What Our Markets are Saying Now

- Compared to Korea (43%) and Taiwan (52%), a high proportion of Japanese (73%) travelers will not travel outside the country for vacation purposes until the pandemic ends.
- Low rates of COVID-19 cases (70%), advanced hygiene measures (65%), vaccinations required for all visitors (45%) were the top 3 factors used when selecting a destination to visit across all three markets.
- Most of our markets (67%) were willing to pay a premium for implementing safety measures at the airport and adding a digital and touchless experience.
- When asked about future travel plans, only 19% of our source markets plan to travel in the next one to two years.
  - We can impact this by how well we manage our destination infection and how well we position and market our destination
- Survey conducted in June; by the end of September, an update will be provided

## **Budget**

<b><u>Budget Breakdown</u></b>			
<b>Administration</b>	<b>26.84%</b>	<b>\$</b>	<b>3,900,000.00</b>
<b>Marketing</b>	<b>57.24%</b>	<b>\$</b>	<b>8,315,904.11</b>
<b>Research</b>	<b>2.75%</b>	<b>\$</b>	<b>400,000.00</b>
<b>Destination</b>	<b>13.16%</b>	<b>\$</b>	<b>1,912,382.89</b>
<b>TOTAL</b>	<b>100.00%</b>	<b>\$</b>	<b>14,528,287.00</b>

Will discuss spending plan details after committees have vetted

## **New Public Law Impacting GVB**

- **PL 36-34**
  - Increasing Public access to info on meetings, deliberations, decisions
  - Legal consul reviewing GVB noticing since law enabled
  
- **PL 36-30**
  - Transferring TAF grants program to the GVB
  - GVB will be requiring certification of good standing from Department Rev and Tax

## **VI. TREASURER'S REPORT**

## **EXHIBIT B**

Director of Finance Josie Villanueva reported:

- The finance team attended the online Pacific and Virgin Islands Training Initiatives Program
- Thanked Nico Fujikawa for presenting at the Association of Government Accountants
  - The presentation covered the TAF; what it means to businesses, and bringing the economy forward

# TAF Budget vs Actual Projection / GVB Fund



GUAM VISITORS BUREAU  
TAF History & Projection  
As of August 31, 2021\*

Revised 2021.09.21

Month	BBMR Budget (Established) FY21	Month	Actual TAF (BBMR Report)*	GVB Allotment Billed	Received Allotment	Received/ Remarks	% of Allotment Received vs TAF Collection
October	\$ 1,037,295	October	\$ 1,037,301	\$ 532,425	532,425	2-Dec-20	51%
November	\$ 1,450,216	November	\$ 703,947	\$ 532,425	532,425	20-Jan-21	76%
December	\$ 1,534,170	December	\$ 704,286	\$ 532,425	532,425	5-Mar-21	76%
January	\$ 1,976,194	January	\$ 715,026	\$ 532,425	532,425	15-Apr-21	74%
February	\$ 2,202,068	February	\$ 997,386	\$ 532,425	532,425	15-Apr-21	53%
March	\$ 1,656,255	March	\$ 1,837,675	\$ 532,425	532,425	10-Jun-21	29%
April	\$ 1,549,015	April	\$ 785,642	\$ 532,425	532,425	10-Jun-21	68%
May	\$ 1,261,424	May	\$ 718,921	\$ 532,425	532,425	12-Jul-21	74%
June	\$ 1,077,896	June	\$ 968,975	\$ 532,425	532,425	20-Aug-21	55%
July	\$ 1,163,814	July	\$ 1,304,072	\$ 532,425	532,425	20-Aug-21	41%
August	\$ 1,142,153	August	\$ 1,606,125	\$ 532,425			
September	\$ 1,586,687	September		\$ 532,425			
<b>Total</b>	<b>\$ 17,838,197</b>	<b>Total</b>	<b>\$ 11,378,356</b>	<b>\$ 6,389,099</b>	<b>\$ 5,324,249</b>		

% of the Actual TAF Collected >>>>>

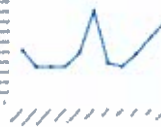
56%

47%

GVB \$ 6,389,099  
% of TAF to GVB 36%  
Public Law No. 35-99

\*<http://bbmr.guam.gov/wp-content/uploads/2021/08/Special-Revenue-Fund-Report-for-August-2021.pdf>

Pending receivable from DOA –  
August 2021 & September 2021



- Looking forward to receiving allotments by the first week of October

# Actual & Budget as of August 31, 2021



Note: Remain subject to change - Generated as of September 15, 2021

DEPARTMENT/PROGRAM	BUDGET	ACTUAL	BALANCE
Administration	3,150,000	(2,716,110)	433,890
Marketing			
Japan	451,499	(471,459)	(19,960)
Korea	237,316	(208,930)	28,386
Taiwan	80,502	(61,679)	18,822
Pacific Micronesia	22,000	(16,759)	5,241
Philippines	32,400	(27,000)	5,400
Social Media	250,000	(126,418)	123,582
Global Website	250,000	(157,713)	92,288
<b>Total Marketing</b>	<b>1,323,716</b>	<b>(1,069,957)</b>	<b>253,760</b>
Research	250,000	(138,115)	111,885
Sports & Events	50,000	-	50,000
Cultural & Heritage	103,000	(60,828)	42,174
Visitor Safety & Satisfaction	660,000	(650,929)	209,071
Destination Development	652,383	(456,999)	195,384
<b>Total FY 2021</b>	<b>6,389,099</b>	<b>(5,092,935)</b>	<b>1,296,164</b>
CIP		(184,184)	
Market Recovery #1		(175,787)	
Market Recovery #2		(331,110)	
Membership		(9,893)	
Computer&Maint. Upgrade		(333)	
CARES ACT (EDF)		(229,827)	
YAX N WIN #1		(230,902)	
YAX N WIN #2		(66,863)	
AIR V & V		(27,571)	
Liberation		(22,161)	
HafaAdal Half Campaign			
<b>Total Other Expense from Other Source</b>		<b>(1,276,631)</b>	
<b>Total Expenditures</b>		<b>(6,371,567)</b>	

# Statement of Revenues & Expenditures

Historical



Revenue	FY2021	1stQ	2ndQ	3rdQ	Jul-21	Aug-21	FY1921	%
GovGuam Allotments	1,597,275	1,597,275	1,597,275	532,425	532,424	5,856,673	90.18%	
Federal	-	171,635	95,191	148,964	-	415,790	6.40%	
Membership	61,701	1,300	1,300	-	-	64,301	0.99%	
Interest Income	1,817	1,109	990	292	291	4,499	0.07%	
Foreign Exchange Gain/(Loss)	7,766	(7,766)	-	(2,493)	[0]	(2,493)	-0.04%	
TCD Investment Gain/(Loss)	(124)	124	-	(241)	21	(220)	0.00%	
Miscellaneous	36,413	(22,320)	7,500	3,696	2,352	27,641	0.43%	
Consumption Tax	232,388	(217,891)	25,312	3,733	4,233	47,675	0.73%	
In-Kind Contributions	-	-	65,968	14,764	-	80,731	1.24%	
<b>Total Revenue</b>	<b>1,937,135</b>	<b>1,523,467</b>	<b>1,793,536</b>	<b>701,139</b>	<b>539,321</b>	<b>6,494,597</b>	<b>100.00%</b>	
<b>Expenditures</b>								
Personnel	698,847	690,815	621,302	343,143	217,999	2,572,107	39.24%	
Unfunded Retirement	-	-	-	8,888	(8,888)	-	0.00%	
Travel	110	138	211	3,683	39	4,181	0.06%	
Utilities	33,733	44,790	26,522	4,244	3,320	112,609	1.72%	
Professional Services	576,040	697,744	791,803	281,740	488,851	2,836,178	43.27%	
Materials & Supplies	11,353	9,998	2,892	7,805	10,956	43,003	0.66%	
Equipment	2,181	77,154	53,693	(104,365)	11,213	40,076	0.61%	
Rent/Lease	52,457	34,387	43,483	15,937	14,925	161,189	2.46%	
Repairs & Maintenance	7,323	9,655	20,212	1,908	919	40,018	0.61%	
Advertising & printing	(2,349)	6,570	3,599	2,967	1,221	12,008	0.18%	
Grants & Sponsorships	-	-	26,500	22,000	29,999	78,499	1.20%	
Miscellaneous	27,517	11,904	181,854	233,748	15,462	470,485	7.16%	
In-Kind Contributions	-	-	65,968	14,764	-	80,731	1.23%	
Consumption Tax	-	-	1,213	-	-	1,213	0.02%	
Pass-Thru Appropriations	-	-	-	-	-	-	0.00%	
Foreign Exchange Gain/(Loss)	-	(16,025)	5,299	10,726	-	-	0.00%	
TCD Investment Gain/(Loss)	-	185	30	(215)	-	-	0.00%	
Depreciation	22,432	23,120	24,496	19,547	13,138	102,734	1.57%	
<b>Total Expenditures</b>	<b>1,429,845</b>	<b>1,590,436</b>	<b>1,869,076</b>	<b>866,521</b>	<b>799,154</b>	<b>6,555,032</b>	<b>100.00%</b>	
<b>Net Gain/(Loss)</b>	<b>507,290</b>	<b>(66,969)</b>	<b>(75,540)</b>	<b>(165,382)</b>	<b>(259,833)</b>	<b>(60,435)</b>		
<b>Add: Non-Cash</b>	<b>22,432</b>	<b>23,120</b>	<b>24,496</b>	<b>19,547</b>	<b>13,138</b>	<b>102,734</b>		
<b>Net Cash Provided by Operations</b>	<b>529,722</b>	<b>(43,849)</b>	<b>(51,044)</b>	<b>(145,835)</b>	<b>(246,695)</b>	<b>42,299</b>		

\*Bond refinancing Savings of \$1.97M was billed to DOA pending receipt of payment per advisement from BBMR

- Of the \$470K Miscellaneous, \$250K-\$300K relates to extraordinary programs
  - Vax n' Win
  - Liberation Day

## Revenues & Expenditures - Membership

Note: Remain subject to change - Generated as of September 15, 2021



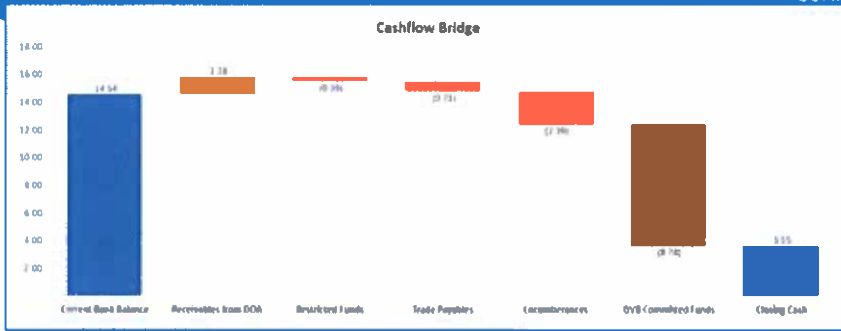
	FY21 as of August 31,	FY20	FY19	FY18
<b>Operating Revenue</b>				
Contributions	64,301	17,702	123,800	36,420
Investment Income	20	17	22	12
Other Income	0	235	5,776	4,301
<b>Total Operating Revenue</b>	<b>64,321</b>	<b>17,954</b>	<b>129,598</b>	<b>40,733</b>
<b>Total Revenue</b>	<b>64,321</b>	<b>17,954</b>	<b>129,598</b>	<b>40,733</b>
<b>Expenditures</b>				
Professional Fees	2,675	18,249	6,482	27,993
Supplies	-	845	353	5,137
Conferences, Conventions & Meetings	-	-	-	435
Telephone	-	-	1,792	-
Printing & Publications	108	-	2,857	2,402
Dues & Subscriptions	115	-	-	50
Miscellaneous	2,476	16,032	29,241	30,066
<b>Total Expenditures</b>	<b>5,374</b>	<b>35,126</b>	<b>40,728</b>	<b>66,083</b>
<b>Net Revenue Over Expenditures</b>	<b>58,947</b>	<b>(17,172)</b>	<b>88,872</b>	<b>(25,350)</b>



Membership bank balance as of 08/31/2021 Bank recon - \$137,231.79



# Cash Forecast Recap ending Sept. 30, 2021



Current Bank Balance as of 09/15/21: Inter Balance		\$ 14,536,876
<b>Add:</b>	Receivables from DOA	
	FY2021 Allotment (August21-Sep21)	\$ 1,064,864
	Electronic Declaration Form Receivable	\$ 108,751
	YasMmN Program	\$ 104,754
		\$ 1,278,369
<b>Estimated Cash Available as of September 30, 2021</b>		<b>\$ 15,815,245</b>
<b>Less:</b>	Restricted Funds	\$ (392,701)
	Trade Payables	\$ (706,349)
	Encumbrances	\$ (2,387,599)
<b>GVB BOD Committed Funding Balances</b>		
	Air V and V (Vaccination and Vacat)	\$ 972,429
	Hafa Adai Heli Campaign	\$ 1,800,000
	Market Recovery Efforts	\$ 2,336,720
	PCR Testing	\$ 1,000,000
	Other CAPEX Committed Funding	\$ 2,866,133
		\$ (8,775,282)
		\$ (12,280,931)
<b>Net Estimated Cash Balance September 30, 2021</b>		<b>\$ 3,534,314</b>

GVB Committed Funds	\$ M	%
AirV&V	0.97	11%
Hafa Adai Campaign	1.60	18%
Market Recovery	2.34	27%
PCR Testing	1.00	11%
Other Capex	2.87	33%
<b>Total</b>	<b>8.78</b>	

Closing cash excludes \$1.97M bond refinancing receivable.

# Recovery Fund Spending Update



Recovery of Recovery Funding Source:	
Committed Funds transferred from Ypoo & Melapang CAPEX	\$ 1,000,000
Rainy Day Fund - 50% board approved	\$ 623,489
Rainy Day Fund - 50% legislature approval	\$ 619,084
FY20 Carry Over Board Approved	\$ 1,246,728
<b>Total Funds Available for Market Recovery</b>	<b>\$ 3,489,279</b>
<b>Total Disbursement to date</b>	<b>\$ (1,152,559)</b>
<b>Balance of market Recovery as of 08/23/21</b>	<b>\$ 2,336,720</b>

Recovery Cost Breakdown	Initial Budget	FY20 (Actual)	FY21 (Actual)	Total Disbursements
Japan	350,000	-	104,137	104,137
Korea	350,000	309,586	33,146	342,732
Taiwan	148,500	20,868	23,018	43,884
Social Media/NEA/SEA-ALL	270,000	-	10,084	10,084
Destination & Development Sub-sector: Optional Tour & Tour Guide Support Programs	731,500	-	187,270	187,270
Tourism Work	-	-	-	-
Crisis Communication Plan (Tourism Industry)	-	-	-	-
GUAM	-	-	295,354	295,354
Visitor Safety & Satisfaction	200,000	-	3,329	3,329
Research: In Country	150,000	-	-	-
Philippines	-	-	103	103
US	-	-	8,425	8,425
ADMIN	-	306,681	(149,441)	157,240
<b>TOTAL</b>	<b>\$ 2,200,000</b>	<b>\$ 637,133</b>	<b>\$ 515,425</b>	<b>\$ 1,152,559</b>

Professional Services	\$ 753,073
Miscellaneous	\$ 209,098
Contractual Services	\$ 158,083
Materials & Supplies/Printing	\$ 19,135
Equipment	\$ 9,822
Advertising	\$ 4,126
<b>Total</b>	<b>\$ 1,152,559</b>

ADMIN - pending redistribution on respective market

# Vax N' Win Expense Summary



As of September 15, 2021 (Other Invoices not received)

**VAX N'WIN Committed Additional Allotment** \$ 450,000

**Payment received to date:**

Date	Claim#	Amount	
29-Jun-21	1	21,361	
12-Jul-21	2	78,385	
22-Jul-21	3	51,834	
16-Aug-21	4	41,430	\$ (193,010)

**Receivables to date:**

30-Aug-21	5	43,080	
8-Sep-21	6	37,914	
15-Sep-21	7	23,760	\$ (104,754)

**Pending Reimbursement waiting Vendor Invoice** \$ 152,236

Expense Summary	Amount
Miscellaneous - Gifts/Prizes (Latte Carvings)	\$ 193,448
Trolley Shuttle Service	\$ 23,760
Professional Services	\$ 74,212
Promotional Materials	\$ 6,344
<b>Total</b>	<b>\$ 297,764</b>

**Donation Related to the Event:**  
 > Cash Donation - \$7,500  
 > In-Kind Donation - \$50,132.50

Program Code: VAX001



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# Liberation Day Program



DATE	Claims No.	Liberation Invoice	Billed to DOA & Paid by GVB	Date Received at GVB Bank	Payment Received from DOA	Balance
20-Aug-21	1.00	22,161	22,161	44,442	22,161	-
<b>Total</b>		22,161	22,161	44,442	22,161	\$ -
<b>Approved Fund by BBMR</b>		(25,000)				
<b>Estimated Un-spent</b>		(2,839)				

Program Code: LGU001



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## Electronic Declaration Form Expense Summary

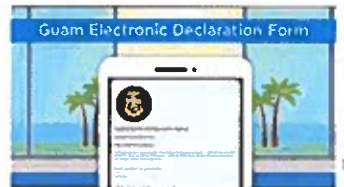


As of September 16, 2021 (Other invoices not received)

Electronic Declaration Form			
Governor Lou's Authorize funding for EDF		\$	250,000
<b>Payment received to date:</b>			
17-Dec-20	8	20,000	
13-Jan-21	9	20,692	
15-Feb-21	11	55,432	
16-Mar-21	12	27,116	\$ (123,240)
<b>Receivables to date:</b>			
7-Apr-21	13	3,520	
12-Apr-21	14	28,756	
30-Apr-21	15	17,448	
2-Jun-21	16	20,308	
29-Jun-21	17	3,798	
22-Jul-21	18	18,745	
19-Aug-21	19	14,176	
16-Sep-21	20	10,444	\$ (117,195)
Pending for EDF Reimbursement waiting Vendor Invoice		\$	9,565



\* Hon. Carl & Dr. Gerry met with Gov. Lou Leon Guerrero, and she assured that balance of the \$250K as original pledge for EDF will be released by BBMR.



Program Code: ACT001

## Air V & V spending Summary



As of June 24, 2021, Approval of \$1,000,000

Board Approved Funding 06/24/21		\$	1,000,000
<b>Materials &amp; Supplies</b>	\$	2,604	
<b>Professional Services</b>	\$	24,039	
<b>Miscellaneous - Food &amp; Beverage</b>	\$	928	\$ (27,571)
	Balance on Funding per books	\$	972,429
	<b>Reported Planned Commitment Pending Invoice/Billings/Execution</b>	\$	<b>(860,797)</b>
	<b>Net Fund Balance</b>	\$	<b>111,632</b>



Program Code AVV001

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## Hafa Adai Half Campaign



As of June 24, 2021, Approval of \$1,600,000

Board Approved Funding 06/24/21 \$ 1,600,000

Balance on Funding per books \$ 1,600,000

Committed - Charter Flights \$ (256,000)

Net Fund Balance \$ 1,344,000

## The Håfa Adai "Håfa Price" Campaign

Program Code: HAF001

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## PCR Testing



As of September 9, 2021, Approval of \$1,000,000

Board Approved Funding 09/09/21 \$ 1,000,000

Balance on Funding per books \$ 1,000,000

Committed - \$ -

Net Fund Balance \$ 1,000,000



[https://www.guam.gov/gov/local/inf-04-21-for-southern-04-21-21/article\\_02b17ee-1128-11ec-af32-000300300000.html](https://www.guam.gov/gov/local/inf-04-21-for-southern-04-21-21/article_02b17ee-1128-11ec-af32-000300300000.html)

Program Code: PCR001

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# GVB FY22 BUDGET by Department



**Update:** Market and department committees are conducting series of meetings to finalized budget request. Numbers below are preliminary numbers from the last board meeting presentation and will be subject to change. The revised budget numbers will be presented on the next BOD meeting.

GVB FY2022 BUDGET (Public Law No. 36-54)		
Administration		\$ 3,900,000
Marketing		\$ 8,315,904
Japan	\$ 2,000,904	
Social Media	\$ 250,000	
Website	\$ 250,000	
Korea	\$ 4,000,000	
Taiwan	\$ 1,500,000	
Philippines	\$ 190,000	
Pacific	\$ 25,000	
New Market Development	\$ 20,000	
Print Promo	\$ 30,000	
North America	\$ 50,000	
Air Service Development	\$ -	
Research		\$ 400,000
Destination		\$ 1,912,383
TIR (VSO, Tour Guide)	\$ 1,060,000	
Destination Development	\$ 652,383	
Culture & Branding (local ads)	\$ 150,000	
Sports and Events	\$ 50,000	
<b>TOTAL</b>		<b>\$ 14,528,287</b>

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# Other Finance Update



## 1. FY2022 Allotment Schedule Submitted to DOA copy to BBMR

APPROVAL DATE	10/01/21	EXPIRES DATE	09/30/22
FEDERAL SHARE PERCENTAGE	N/A	DELEGATION EXPIRES DATE	09/30/22
0.00%	100.00%		
APPROVED ON ACCOUNT NUMBER	TOTAL FUNDS		
5206A229970CT287 TO BE ESTABLISHED	LEGAL 14,528,287	FEDERAL - AUTHORIZED (0.00%)	FEDERAL - AWARDED
GENERAL CREDIT or PAYABLE ACCOUNT	TOTAL MATCH ACCOUNT NUMBER	NOTE	
TO BE ESTABLISHED		IF LOCAL MATCH ACCOUNT DOES NOT EXIST, NEEDS UPDATING. PLEASE ATTACH SEPARATE E.O.A. REQUEST	
REQUESTED BY	DATE	APPROVED BY	DATE
<i>[Signature]</i>	9/16/21	<i>[Signature]</i>	9/16/21

## 2. Enrollment on Positive Pay Enrollment

- Minimize or Eliminate Check Fraud
- Prevent related losses
- Simplify Account reconciliation



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## VII. REPORT OF THE BOARD COMMITTEES

### A. EXECUTIVE COMMITTEE

- Nothing to Report

### B. ADMINISTRATION & GOVERNANCE

Director Jones made a motion, seconded by Director Ada, to authorize the President and Chief Executive Officer as Chief Procurement Officer of GVB to enter into negotiations with the highest-ranking qualified Offeror in response to GVB RFP 2021-010 COMPENSATION AND CLASSIFICATION STUDY, and if successful, to enter into a contract. **Motion Approved.**

**Background:** This is a re-issuance of GVB RFP 2021-009 CLASSIFICATION AND COMPENSATION STUDY, which was cancelled on September 1<sup>st</sup> due to inadequate specifications and pursuant to 2GAR Div. 4 §3115(d)(1)(A)(B)(ii)(iii)(C)(D)(i)(ii)(iii)(3). It has been revised to ensure consideration of all factors of significance to GVB in seeking the services requested by the RFP.

GVB intends to secure the services of a qualified firm to provide a COMPENSATION AND CLASSIFICATION STUDY and provide recommendations to ensure the bureau's classifications and compensation system support the bureau's mission and strategic objectives, subject to the availability and certification of funds from fiscal year to fiscal year.

The Scope of Work includes a review of the current classification and compensation systems, conduct a comprehensive compensation data collection/survey of the external labor market(s) for all positions, analyze and evaluate all data in an objective manner and make recommendations designed to ensure both internal equity and external competitiveness for either change to current classification systems or adoption of a newly designed compensation system.

**Issue:** Board approval required.

- Director Dela Cruz recalled the Board approving a similar motion previously.
  - Motion is a re-issuance of the GVB RFP 2021-009 CLASSIFICATION AND COMPENSATION STUDY, which was cancelled on September 1<sup>st</sup> due to inadequate specifications
  - Vice President Perez mentioned that the original motion had to do with specific qualifications carving in incumbent employees to fit into the category. It made better sense to conduct a comprehensive study, given the market situation and the universe of employment rather than specific jobs; it gives us a better positioning for the placement of these positions.
  - Re-issuance will give a more universally addressed aspect of the study rather than just a share of the specific position

### C. REOPENING TASK FORCE

- Meeting next Wednesday, October 6 at 11:00 am
- Group of different business sectors across the tourism industry requesting GVB support and assistance
  - Financial assistance
  - Advocacy to help them stay afloat in a season where Guam does not have visitors
  - Invited to speak at the next meeting

### D. AIR SERVICE DEVELOPMENT

- Management reported a majority of the information

### E. TAIWAN

EXHIBIT C

Committee Meeting Minutes – September 10, 2021

Chairman Morinaga reported:

- Covid record is looking good
- They have enough vaccinations
- September 22<sup>nd</sup> Pfizer will be administered to junior and senior high school students
- September 20<sup>th</sup> Taiwan is rushed to book the Pfizer vaccine in a matter of hours; more than 570 people made an appointment
- 1.08M doses of Moderna to be received
- 640K doses of AstraZeneca to be received

Vice President Perez shared:

- GVB signed an MOU with GIAA & GEDA
- Events are being scheduled in Taiwan in the next fiscal year

### F. DESTINATION MANAGEMENT/VISITOR & SAFETY SATISFACTION

**Director Shinohara made a motion, seconded by Director Ada, to approve authorization of the President and CEO as Chief Procurement Officer of GVB to enter into a contract with the lowest responsible and responsive bidder for GVB IFB 2021-001 TUMON TRASH AND RECYCLING MAINTENANCE. Motion Approved.**

**Background:** The project consists of furnishing all necessary labor, materials, equipment, tools, and services to provide trash and recycling maintenance along the designated sites in Tumon as provided for in the Technical Specification and Bid Schedule.

**Issue:** Board approval required.

- Separate from beach cleaning

## G. CULTURAL HERITAGE, COMMUNITY OUTREACH & BRANDING

- Meeting scheduled Tuesday, October 5<sup>th</sup> at 9 am

## H. RESEARCH / MEMBERSHIP

- Most updates covered on the Management report

## I. SPORTS & EVENTS

- No updates

## J. JAPAN

EXHIBIT D

Committee Meeting Minutes - September 14, 2021

Vice Chairman Shimizu reported:

- JAL suspended their flights until November 30<sup>th</sup>.
- On track with vaccination proceedings
- All travel agencies cancelled package tours until the end of October
- Webinar held September 16<sup>th</sup>
- JATA next Travel Mart to be held November 22<sup>nd</sup> to 25<sup>th</sup> of next year, online
- This is the last meeting for fiscal year

**Vice President Perez received a letter from JGTA about the preliminary forecast of arrivals**

- **Revisiting the preliminary forecast; looking at different travel agents forecasts; will be part of next week's discussion**
- Director Shinohara inquired whether there are opportunities to look into what our competitive markets are looking at in our source markets; Japan or Korea

## K. KOREA

EXHIBIT E

Committee Meeting Minutes - September 14, 2021

Director Eun reported:

- In the last nine months of FY2021, 1,646 passengers
- 8,000 seats were expected from various airlines in October
- Recognized HIS for their hard work and dedication to Guam over the past four years
- Welcomed New Marketing Representative - Nextpaper
  - Will commence October 1<sup>st</sup>

**Director Eun made a motion, seconded by Director Ada, to roll over the Marketing Department's FY2021 remaining balances to FY2022 budget funds. Budget rollovers to remain in their specific market accounts. Motion Approved.**

**Background:** The ongoing pandemic has continuously affected the tourism industry. Some monies were not spent in its entirety for anticipated projects, promotions, or incentives due to the current market situations. The monies have been reprogrammed and are committed to ongoing projects set for the next couple of months.



Tourism is anticipated to improve in FY2022. A rollover of the Marketing Department's remaining FY2021 balances in each respective market into their FY2022 budget funds will help add additional support since GVB could not receive its full budget request.

GVB is in the process of closing out FY2021 accounts and is expecting to process September invoices by October 15<sup>th</sup>. The remaining balances below are anticipated after September invoices are paid.

**Budget Balances:**

Korea: \$3,716.73

Taiwan: \$1,357.21

Pacific: \$6,365.00

Digital and Social Media: \$74,408.00

**Issue:** Board approval required.

- Director Ada inquired whether rolling over the Marketing Department's FY2021 remaining balances can wait until next week when the budget is discussed instead of placing the funds right into the specific markets for flexibility
- Director Eun mentioned that the balance amounts for each market are very minimal

**L. NEW MARKETS**

- Nothing to report

**M. NORTH AMERICA, PACIFIC & PHILIPPINES**

Director Jones reported:

- Meeting held today to discuss the upcoming budget
- Philippine update – On September 16<sup>th</sup>, Guam was moved from the red list to the yellow list allowing travelers to enter the Philippines after traveling to Guam with the 14-day quarantine requirement.
- GVB Philippines is hosting another webinar on September 29<sup>th</sup>
- GVB Philippines is promoting Air V&V through social media, digital ads, direct mailers

**Republic of Palau 27<sup>th</sup> Independence Day Ceremony**

Director Jones made a motion, seconded by Director Eun, to approve travel for the President & CEO and one (1) GVB Staff to attend the 27<sup>th</sup> Independence Day Ceremony of the Republic of Palau and formally meet the new Minister of State, the Honorable Gustav Ngiracheluolu Aitaro. These events will take place from September 30 – October 3, 2021. The cost for travel is \$9,520.00. Funding will come from 100-5201/5201-PA-FY2020. **Motion approved.**

Airfare:	\$1,200 x 2 pax					\$2,400.00
Per Diem:	Palau	Lodging	Nights	M&IE	Days	
	President & CEO	\$255.00	8	\$170.00	8	\$3,400.00
	GVB Staff	\$204.00	8	\$136.00	8	\$2,720.00
Miscellaneous: Excess baggage, communications and meeting expenses, transportation, and other unanticipated expenses.						\$1,000.00
<b>TOTAL</b>						<b>\$9,520.00</b>

**Background:** GVB President & CEO, Carl T.C. Gutierrez, received a formal invitation from the Honorable Ngiraibelas Tmetuchl, the Minister of Human Resource, Culture, Tourism and Development, to attend the 27<sup>th</sup> Independence Day of the Republic of Palau. President & CEO Gutierrez will also have a formal meeting with the new Minister of State, the Honorable Gustav Ngiracheluolu Aitaro, to express a renewed formal relationship between our islands, discuss joint marketing and promotional opportunities in tourism and pursue a joint venture on airlines partnership to connect Taiwan and Korea.

The Official Independence Day Ceremony will take place on October 1<sup>st</sup>. During the rest of his visit, the President & CEO will meet with the Minister of Human Resources, Culture, Tourism and Development, the new Minister of State, and other government officials.

As a member of PATA Micronesia and the Micronesia Island Forum, GVB's attendance in this important regional event aligns with the Governor of Guam's commitment to regional economic development.

**Issue:** Board approval required for travel.

- Governor LG asked President Gutierrez to represent the Governor of Guam
- Palau is Guam's next best partnership in travel; The Minister of Tourism reached out twice to us asking how we could collaborate and make a movement to Taiwan and Korea
- Continue the discussion in person
- online question from Haidee Gilbert from the Post asked if GVB had received the \$20M from the Rescue plan and if so, when is it to be received?
- The answer is no. Governor LG has communicated with GVB President & Vice President; possibly in the next two weeks, some details can be worked out with a final discussion to receive the \$20M.

**VIII. OLD BUSINESS**

- **No Old Business**

**IX. NEW BUSINESS**

- **No New Business**

**X. EXECUTIVE SESSION**

- **No Executive Session**

**XI. ANNOUNCEMENTS**

**Chairman Morinaga recessed the Board meeting at 2:49 p.m. the Board will reconvene on Thursday, October 30th at 11:00 am**

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**REGULAR BOARD OF DIRECTORS MEETING MINUTES (RECONVENE)**  
**Thursday, September 30, 2021, at 1:30 p.m.**

**I. CALL TO ORDER**

- A quorum being present, Chairman Morinaga called the meeting back to order at 11:02 a.m.

**II. ROLL CALL**

**In-Person:** Milton Morinaga, Sonny Ada, Rudy Paco, Ho Eun, Ben Ferguson, Laura Cepeda, Charles Bell, Jeff Jones, Sam Shinohara

**Online:** Flori-Ann Dela Cruz, Steve Gatewood, Paul Shimizu

**Absent:** Derrick Quinata

**III. CHAIRMAN'S REPORT**

- Nothing to report

**IV. GVB MANAGEMENT REPORT**

**Tourism Business Environment**

- Regional and global expectations for pre-covid levels not before 2023/24 PATA, IATA "or later" among 41% of UNWTO respondents surveyed
- Travel recovery is impacted by disparate factors on virus controls, vaccination up-take, travel protocols, and consumer sentiments
- Lingering concerns on slow pandemic containment and weak consumer confidence in rising unemployment, job security concerns, and fear of covid

**Visitor Projections and Budget**

- Hazardous at Best in COVID Environment
- Many differing opinions, data points, and perspectives
- Attempted to balance spending plan among competing priorities
- Vetting in committees respected, and most recommendations accepted
- A careful review of in-country information and feedback from marketing reps and travel agent partners

### **FY2021 Forecast**

- GVB original FY2021 forecasts: 201,150
  - (+243% vs actual)
- Industry/Board: 251,437
  - (+328% vs actual)
- Legislative (P.L. 35-36): 400,000
  - (+582% vs actual)
- GVB Adjusted: 82,148
  - (+40% vs actual)
- 58,627 Visitor arrivals as of September 19, 2021

### **Guam Source Markets In-Country Survey (June 2021 vs. September 2021)**

- Consumers surveyed indicating they will not travel outside the country for vacation until the pandemic ends
  - **June 2021**
    - Japan 73%      Taiwan 52%    Korea 43%
  - **Sept 2021**
    - Japan 70%      Taiwan 51%    Korea 38%
  - **June 2021**
    - Only 19% surveyed plan to travel in the next 1-2 years
  - **Sept 2021**
    - Japan 10%      Taiwan 15%    Korea 27%
    - of consumers surveyed plan to travel in 6 - 12 months


### **Recent News Encouraging**

- Japan lifted Covid state of emergency today, ALL regions, first time in six months, new cases, deaths, and strain on the medical system eases
- Precipitous drop in Japan daily cases from more than 25,000 in August to 1,128 on Monday 9/27
- Korea considers lifting Covid restrictions once 80% of adults and 90% of the elderly population are fully vaccinated in late October
- GS25 Incentive tour 12 groups @ 50 pax Nov - March
- Air service is still in rolling delays, but airlift appear to be firming up for Q2 (?) and anticipating seat inventory backloaded growth Q3-Q4 (July-Sept 2022)
- In line with easing government restrictions and green shoots of pent-up demand (In-country survey and Korea MICE booking)

### **FY 2022 Arrivals Forecast**

- GVB conservative estimate      85,000
- GVB optimistic estimate        130,000
- Industry feedback estimate     201,783

- NOTE: GVB management sentiment closer to 115,000

FY2022 Forecast			
Month	GVB Conservative	GVB Optimistic	Industry Feedback
October	3,898	59,62	5,124
November	4,316	6,586	9,729
December	5,197	7,949	10,269
January	5,841	8,933	13,489
February	5,473	8,371	14,605
March	5,956	9,109	18,911
April	8,216	12,565	19,558
May	8,069	12,340	20,195
June	8,424	12,884	19,614
July	9,788	14,970	21,540
August	10,652	16,291	25,003
September	9,180	14,040	23,745
<b>TOTAL</b>	<b>85,000</b>	<b>130,000</b>	<b>201,783</b>

### FY 2022 Budget

- PL 36-54: \$14,528,287
- Est. FY2021 Carry Over: \$2,000,000
- Est. balance of previously approved projects: \$2,940,000
  - PCR Testing: \$1,000,000
  - Incentives \$1,940,000
- Total: \$19,468,287

### Budget Recommendations Summary \$19.4M

- 70% Marketing and Research Budget:**
  - Recognizes marketing priority based on emerging opportunities, historical island spending, and emerging airlift situation
  - Provides the research support for Key Performance Indicators to assist in the GVB decision making process
  - Incentivizes marketing opportunities when and where appropriate
- 10% Destination Management:**
  - Recognizes the importance of the island’s tourism infrastructure and physical plant in delivering a memorable and safe destination experience
  - Provides the funding “to fill in the gaps” that are the core responsibility of other departments and agencies

- **20% Administration:**

1. Provides the leadership and institutional capacity to manage the island's number one "export" industry and
2. Maximizes the value and use of limited funds through good stewardship

# MARKETING



Marketing	FY2022	FY2021 Carry Over
Japan	\$ 2,000,904.11	\$ 2,000,000.00
Korea	\$ 4,000,000.00	
Taiwan	\$ 1,500,000.00	
Pacific	\$ 25,000.00	
North America	\$ 50,000.00	
China	\$ -	
New Market Development	\$ 20,000.00	
Hong Kong	\$ -	
Philippines	\$ 190,000.00	
Branding		
Social Media	\$ 250,000.00	
Global Website	\$ 250,000.00	
Printing Promo	\$ 30,000.00	
Air Service Development		
<b>TOTAL</b>	<b>\$ 8,315,904.11</b>	<b>\$ 2,000,000.00</b>

# FY2022 – Core Markets



	Recommended Budget	FY19 On Island Spend	Forecast	Est. Cost Per Pax	Est. On Island Spend
<b>Japan</b>	<b>\$ 4,000,904.11</b>	<b>\$ 559.57</b>			
<b>Low</b>			30,000	\$ 133.36	\$16,787,100
<b>High</b>			70,000	\$ 57.16	\$39,169,900
<b>Korea</b>	<b>\$ 4,000,000.00</b>	<b>\$ 590.13</b>			
<b>Low</b>			60,000	\$ 66.67	\$35,407,800
<b>High</b>			100,000	\$ 40.00	\$59,013,000
<b>Taiwan</b>	<b>\$ 1,500,000.00</b>	<b>\$ 865.84</b>			
<b>Low</b>			10,000	\$ 150.00	\$8,568,400
<b>High</b>			20,000	\$ 75.00	\$17,316,800

## DESTINATION AND RESEARCH



Destination	FY2022
TIR (VSO, Tour Guide)	\$ 1,060,000.00
Destination Development	\$ 652,382.89
Culture & Branding	\$ 150,000.00
Sports & Events	\$ 50,000.00
<b>TOTAL</b>	<b>\$ 1,912,382.89</b>

Research	FY2022
Electronic Declaration Form	\$ 50,000.00
In-Country Research	\$ 104,240.00
TSA Economic Reports	\$ 50,000.00
Data Analytics Software	\$ 65,000.00
Potential Market Research	\$ 130,760.00
<b>TOTAL</b>	<b>\$ 400,000.00</b>

## Budget Recommendations



Budget Summary		
Administration	20.03%	\$3,900,000.00
Marketing	52.99%	\$10,315,904.11
Research	2.05%	\$400,000.00
Destination	9.82%	\$1,912,382.89
Optional Tour/COVID Testing	5.14%	\$1,000,000.00
Incentive Menu	9.96%	\$1,940,000.00
<b>TOTAL</b>	<b>100.00%</b>	<b>\$19,468,287.00</b>



DEPARTMENT	Revised 2022 Budget (P.L. 36-54)	FY2021 Carry Over Subject to change	PCR Testing	Help Aial Haii Campaign	TOTAL
Allocated/BOD Approved Balance	\$14,528,287	\$2,800,000	\$1,000,000	\$1,200,000	\$20,528,287
Spent/Committed (estimate from dept as of 9/24)		\$800,000	\$0	\$290,000	\$1,060,000
Balance	\$14,528,287	\$1,000,000	\$1,000,000	\$1,940,000	\$19,468,287
<b>Administration</b>	<b>3,900,000</b>				<b>3,900,000</b>
<b>Marketing</b>					
Japan	2,000,904	\$2,000,000			\$4,000,904
Korea	4,000,000				\$4,000,000
Taiwan	1,500,000				\$1,500,000
Pacific	25,000				\$25,000
North America	50,000				\$50,000
China	-				\$0
Russia/New Market Development	20,000				\$20,000
Hong Kong	-				\$0
Philippines	190,000				\$190,000
Social Media	250,000				\$250,000
Global Website	250,000				\$250,000
Printing & Promotion	30,000				\$30,000
Air Service Development	-				\$0
Incentives Menu			1,000,000	1,940,000	\$2,940,000
<b>Total Marketing</b>	<b>8,315,904</b>	<b>2,000,000</b>	<b>1,000,000</b>	<b>1,940,000</b>	<b>13,255,904</b>
Research	400,000				\$400,000
Sports & Events	50,000				\$50,000
Cultural & Heritage/Branding	150,000				\$150,000
Visitor Safety & Satisfaction - Crisis Commn Plan	1,060,000				\$1,060,000
- Tourism Works					
Sub Sector (TAs, Op Tours)					
Destination Development	652,383				\$652,383
<b>Total Non-Marketing</b>	<b>2,312,383</b>				<b>2,312,383</b>
<b>TOTAL for appropriation</b>	<b>14,528,287</b>	<b>2,000,000</b>	<b>1,000,000</b>	<b>1,940,000</b>	<b>19,468,287</b>

**Guest Speaker Monte Mesa, a member of GVB and representative of GVB members**

- Requested that Board directors consider reallocating some funds for critical partners
  - who help develop markets in Korea and Japan
  - who do not qualify for federal grant programs and are not able to sustain themselves
  - in the Marketing planning, consider looking for GVB partners in the Korean & Japan market who have helped grow our markets over the last 55 years
    - employ local people
    - contribute to GRTs; return on investment

**Airline incentives**

- Each airline has its threshold for low capacity
- Should the charter flight not meet their bottom line load factor, Mr. Mesa suggests we incentivize to cover 5 - 10% of the cost
- Approached the Recovery Task Force Committee and a scheduled meeting with the Legislature and Governor

**Questions & Comments:**

- Director Shinohara commented on short term resource allocation:
  - Uncertainty with the market comeback, its strength, and timing
  - Resources limited due to low budget; entire budget not as planned or expected
  - Source markets are open to Guam and its competitive destinations
- Asked if management would agree to the Board giving them the flexibility to handle all administrative expenses, payroll, salary wages, office expenses, etc., for the next 12 months.

- For Marketing, Director Shinohara asked if it could be looked at on a 30, 60, 90-day basis, convene with the group to ensure that efforts and resources are consistently expended on the top opportunity for GVB
- Vice President Perez commented:
  - No objection to Director Shinohara's approach
  - Marketing climate is very fluid and could change, influencing the allocation of funding
  - Not averse to revisiting the marketing component periodically
  - Suggested that funds be proportioned for the first quarter and then true-up at a meeting to follow, depending on what development occurs
- Director Shinohara requested:
  - Budget process – Board directors, Director of Finance and Management to meet and come up with a monthly reporting template
- Director Ada asked if the \$50K for the Electronic Declaration Form is an annual spend to include maintenance cost
  - GVB paid \$30K for hard copy prints
  - Agreement with Guam Customs, GVB will assist in paying for maintenance and support
- 2022 research will focus on in-country consumer behaviors

**Director Shinohara made a motion, seconded by Director Ada, to approve Administration, Research, Destination, and COVID testing budget request in the amount of \$7,212,383.**

**With respect to Marketing and incentive menu budgets of \$12,255,904, Director Shinohara moved to approve a full year of office and administrative expenses, but all Marketing expenses and programs are only approved at 25% of planned amounts, to allow for flexibility and reprogramming on at least a quarterly basis with the first review planned for the 2<sup>nd</sup> board meeting in November. Motion Withdrawn.**

- The motion included incentive to be part of the 25%
- Director Ferguson preferred that the incentive be excluded concerning Marketing; would need to spend the bulk of funds in the first four months as opposed to one quarter
- Based on the conversation, Vice President Perez understood Marketing in total would be allocated on a proportional MOU quarter basis

**Director Shinohara made a motion, seconded by Director Jones, to approve administration, Research, Destination, and COVID testing and incentive menu amounts with a budget of \$9,152,383.**

**With respect to the marketing budget of \$10,315,904, Director Shinohara made a motion to approve a full year of office and administrative expenses, but all Marketing expenses and programs are only approved at 25% of planned amounts to allow for flexibility in reprogramming on at least a quarterly basis with the First review planned for 2<sup>nd</sup> board meeting in November. Motion Approved.**

- Director Ferguson inquired more about the Incentives menu, especially in light of Saipan's Korea bubble incentives.

- \$2.9M sitting; it makes no sense to portion funds quarterly at a time when a longer-term incentive plan may be necessary
  - Expecting 7K PAX from now until December 2021 comes with a high cost
  - Incentives provided are very robust; pricing provided by hotels are deeply discounted
  - What thoughts do Management & team currently have regarding expending \$2.9M and a general idea start date
- Vice President Perez responded with the following
  - Focused on concern
  - Aside from what has already been discussed previously; Vice President Perez will look into it at the soonest
  - Cautioned against a fire sale philosophy; concerned about positioning our brand identity in a way that'll jeopardize our ability to attract higher-yielding customers
- Chairman Morinaga reported
  - Japan's package tour is cancelled until December 30
  - The government is restricting any foreign passenger arrivals in Haneda, Osaka, and Narita
  - Limited amounts of COVID test kits and workforce available

## **V. OLD BUSINESS**

- No Old Business

**VI. NEW BUSINESS**

- No New Business

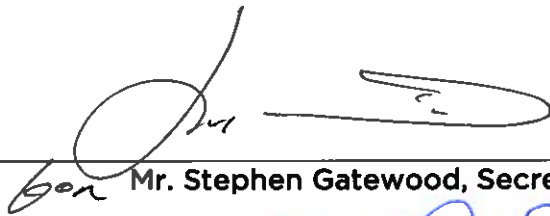
**VII. ANNOUNCEMENTS**

Upcoming Board Meetings:

- October 14, 2021
- October 28, 2021

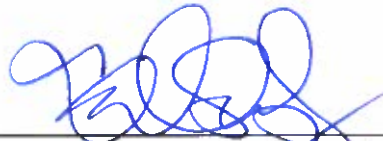
**XII. ADJOURNMENT**

Director Ada made a motion, seconded by Director Shinohara, to adjourn the Board of Directors regular board meeting at 12:05 p.m. **Motion Approved.**



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Mr. Stephen Gatewood, Secretary of the Board of Directors



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Board Minutes respectively submitted by Valerie Sablan, Executive Secretary