



REGULAR BOARD OF DIRECTORS MEETING
Thursday, December 12, 2019 - 3:30pm
Guam Visitors Bureau Main Conference Room

BOARD OF DIRECTORS PRESENT:

Vice Chairman Milton Morinaga
Director Flori-Ann Dela Cruz
Director Robert Hofmann
Director Stephen Gatewood
Director Shun Matsumoto
Director Therese Arriola

Director Samuel Shinohara
Director Brad Kloppenburg
Director JoAnn Camacho
Director Derrick Muna-Quinata

BOARD OF DIRECTORS TELECON/SKYPE:

Director Paul Shimizu (telecom)

BOARD OF DIRECTORS ABSENT:

Chairman Sonny Ada
Director Satoru Murata

GVB MANAGEMENT & STAFF PRESENT:

Bobby Alvarez
Pilar Laguaña
Lisa Linek
Chris Lizama
AJ Rosario
Valerie Sablan
Doris Ada
Dee Hernandez
Miranda Muñoz

Taylor Pangilinan
Linda Alegarbes
Colleen Cabedo
Gabryel Franquez
Breeanna Garrido
Nadine Leon Guerrero
Sharleen Guerrero
Brian Simsiman
Mark Manglona

Regina Nedlic
Russell Ocampo
Elaine Pangelinan
Jamielyn Pinaula
Nico Fujikawa
Sydney Leon Guerrero
Ashley Garcia
Tonya Formano

GUESTS:

I. CALL TO ORDER

The regular board meeting was called to order by Vice Chairman Morinaga at 3:36 p.m.

II. MINUTES OF THE PREVIOUS MEETING

Exhibit A

Approval of minutes of the previous Board of Directors meeting dated November 14, 2019.

III. CHAIRMAN'S REPORT

IV. PRESIDENT & CEO'S REPORT

- Motion made by Director Shinohara, seconded by Director Gatewood to move into Executive Session. Motion approved.**

Vice Chairman Morinaga called the regular board meeting back to order at 4:30 p.m.

V. TREASURER'S REPORT

2. Motion made by Director Arriola, seconded by Director Hoffman to update board signatories for all GVB accounts at Bank of Guam, First Hawaiian Bank, Resona and Raymond James & Associates with the following signatories.

- Peter Sonny Ada, Board of Directors – Chairman
- Samuel Shinohara, Board of Directors – Treasurer
- Pilar Laguana, President & CEO
- Bobby Alvarez, Vice President
- Josephine G. Villanueva, Director of Finance & Administration

The motion also includes using utilizing online banking and automation of disbursement such as wire transfer and ACH to increase turn-around time of disbursement and eliminate lengthy process.

Based on the Signature Authority Guidelines – SOP GVB-FA-001 with levels as follows:

Motion Approved.

Level Definitions

- Level 0: GVB Board Treasurer, in the absence of Board Treasurer and with written concurrence from him, GVB Board Chairman will sign. In absence of both Treasurer and Chairman, board Secretary will sign with written consent/designation from either the Treasurer or the Chairman.
- Level 1: President & CEO
- Level 2: Vice President
- Level 3: Director of Finance & Administration
- Level 4: Senior Destination Specialist-Chamorro Culture, Senior Destination Specialist-Infrastructure & Maintenance, Destination Specialist - Safety & Satisfaction, Destination Specialist - Sports & Events, Director of Tourism Research, Director of Global Marketing
- Level 5: Management Personnel (Ex: Marketing Manager, coordinators and supervisors, etc.)
- Level 6: Non-management personnel

Background: Bank requires approval of new signatories by GVB Board of Directors in a form of board resolution. This also addresses the GVB 2nd Amendment of Bylaws which only authorizes the General Manager & board treasurer to sign checks.

Issue: Board approval required.

3. Motion made by Director Arriola, seconded by Director Gatewood, as Director Shinohara stated to approve the assigned credit card holders specific to employee with different levels of limit and as need arises, of one-time increase. **Motion Approved.**

Level 1:	President & CEO	\$20,000
Level 2:	Vice President	\$10,000
Level 3:	Director of Finance & Admin (Admin, HR, IT, Ticket purchase, online subscription, travel insurance)	\$20,000
Level 4:	Senior Destination Specialist- Chamorro Culture, Senior Destination Specialist Infrastructure & Maintenance, Destination Specialist - Safety & Satisfaction, Destination Specialist - Sports & Events, Director of Tourism Research, Director of Global Marketing	\$5,000
Level 5:	Management Personnel	\$3,000

The discretion of credit limit will rest with the President & CEO with the assistance of Director of Finance & Administration who will determine the increase, decrease and eligibility of the employee and purpose of use addressing cost, benefit and efficiency.

The motion is also conditional to monitor the credit card user using the Online Access with real-time information for better security and control.

The motion is also conditional to the update of the Standard Operating Procedures set forth on the existing GVB Credit Card Policy, Travel Policy, as well as strong internal controls to be put in place. The motion is also conditional in pursuing to apply for corporate credit card that can avail benefits such as mileage earnings, travel insurance policy coverage, and other benefits in the interest of the bureau.

Background: Credit cards were kept with the Director of Finance & Administration in a locked cabinet and every time the card holder needs to use it, the need to draft a memo to seek Director of Finance & Administration approval and President & CEO justify the use and sign off on their credit card and return it after use. This process depicts the purpose of securing the cards, vulnerable for unauthorized use since the card holder is not exclusively held responsible for the possession of the credit card. This also depicts the purpose the credit card. There were also credit card holders of resigned employees that was just terminated last December 5, 2019. The current credit limit for GVB is \$60,000 shared among various card holder. Active credit card accounts were for the President & CEO and Global Marketing Director with \$10,000 credit limit respectively.

Issue: Board approval required

Discussion:

- GVB is proposing to issue 10 credit cards, totaling \$60,000.00 cap.
- The President & CEO - \$10,000.00 limit.
- Vice President - \$5,000.00 limit.
- Director of Finance & Administration - \$17,000.00 limit.
- Director of Global Marketing - \$10,000.00
- Korea, China, Pacific North America, Philippines & Russia, Japan and Hong Kong Marketing managers will have a credit limit of \$3,000, giving marketing a total of \$18,000.00.

4. Motion made by Director Arriola, seconded by Director Hoffman to approve use of any carry forward from prior years for the following expenditures: **Motion Approved.**

NO.	PROJECT DESCRIPTION	AMOUNT
1	Ypao & Matapang Beach Upgrade	\$ 3,000,000
2	San Vitores Flood Mitigation Projects	\$ 2,000,000
3	New Tourist Attraction	\$ 300,000
4	G4S Contract Deficit for VSO Programs FY19	\$ 140,000
5	Tourism 2025 and Beyond Strategic Planning & Management Services	\$ 96,000
6	Human Resources Management Platform to automate the processes & stabilize recordkeeping. (Initial Set-up & Web Based Subscription)	\$ 20,000
7	MIP Abila Fund Accounting Software add-on module.	\$ 15,000
8	Transcriber Equipment and supplies	\$ 10,000
TOTAL		\$ 5,581,000

Discussion:

- Branding together with our Public Information Officer, will take the lead in Tourism 2025 and Beyond Strategic Planning & Management Services.

5. Motion made by Director Arriola, seconded by Director Hoffman to use carry over from PL30-22-23 relating to building enhancement-architectural, engineering and design to cover for the office spaces renovation for additional staff workstations with current balance of \$381,909 for the following projects: **Motion Approved.**

NO.	PROJECT DESCRIPTION PL30-22-23	AMOUNT
1	Workspace for additional admin staff	\$ 20,000
2	Conference Rooms & Meeting Room Enhancement	\$ 50,000
TOTAL		\$ 70,000

6. Motion made by Director Camacho, seconded by Director Muna-Quinata to release the Non-Profit Pass-Thru Guidelines to respective organization and upon receipt of the release of the appropriation, release 1st quarter FY20, appropriation schedule. Prior to release of 2nd quarter appropriation release, compliance should be adhered and thereafter. Schedule of the release will be at the 30th day of last month of the quarter. **Motion Approved.**

Background: For FY2020 Budget under PL No. 35-36, GVB Pass-Thru has \$640,0000 appropriated funds. Part of this budget law is the reporting requirements for non-profit organization. GVB completed the final version of the FY2020 Non-Profit Pass-Thru Appropriations Guidelines with the following highlights:

- Compliance with reporting requirements/checklist
- No more than 20% shall be used for organization operation
- Non-compliance with the reporting requirements will subject the non-profit organization to a 3% reduction of its appropriation.

The appropriation release is scheduled to be received from DOA by early next week according to last communication with DOA.

Issue: Board approval required

7. Motion made by Director Shinohara, seconded by Director Camacho to approve budget for FY2021 for \$29M with breakdown as follows: **Motion Approved.**

G&A	\$	2,165,026
Marketing	\$	18,795,404
Sports & Events	\$	932,744
Research	\$	896,931
CHCO	\$	1,388,905
VSS	\$	1,748,162
DD	\$	1,782,829
Rainy Day	\$	650,000
Non Profit	\$	640,000
TOTAL (FY21)	\$	29,000,000

Background: BBMR ordered a FY2021 budget call due on December 13, 2019. GVB requested a one-week extension.

VI. REPORT OF THE BOARD COMMITTEES

- a. EXECUTIVE COMMITTEE
- b. ADMINISTRATION & GOVERNMENT RELATIONS
- c. DESTINATION MANAGEMENT
- d. VISITOR & SAFETY SATISFACTION
- e. CULTURAL & HERITAGE

FY2020 Travel Motions

February 2020

Guam Chamorro Dance Academy

8. Motion made by Director Arriola, seconded by Director Hoffman to approve travel for the FY2020 Guam Chamorro Dance Academy in Japan. Workshop dates are February, April, July and September 2020. (Estimated cost up to \$38,736.00 from Acct No. DM-CPO001). **Motion Approved.**

Airfare:	\$800 x 4 pax					\$3,200.00
Per Diem:	Tokyo	Lodging	Nights	M&IE	Days	
	Cultural Heritage Officer	\$278.00	3	\$229.00	3	\$1,521.00
	Master of CHamoru Dance	\$278.00	3	\$229.00	3	\$1,521.00
	Percussionist	\$278.00	3	\$229.00	3	\$1,521.00
	Guitarist	\$278.00	3	\$229.00	3	\$1,521.00
Professional Fees (Master of Chamoru Dance):				\$100.00	2	\$200.00
Professional Fees (2 pax - Percussionist & Guitarist)				\$50.00	2	\$200.00
					Total for per trip:	\$9,684.00
					Total for 4 trips:	\$38,736.00

Background: This marks the 11th year of the continuation of the Guam Chamorro Dance Academy within Japan. Last fiscal year, four workshops were taught with a total of over 500 students, including dance instructors who in turn bring lessons to their dance studios. As a result of this program, four separate participants of the academy established four (4) dance houses in Tokyo, Nagoya and Mito City.

One instructor and two assistants will be sent along with the Cultural Heritage Officer to run the program.

Issue: Board approval required for all travel.

US-Guam Chamorro Dance Academy & Pacific Cultural Center's Annual Asia Pacific Celebration in Seattle, Washington

9. Motion made by Director Arriola, seconded by Director Hoffman to approve travel for the GVB Cultural Heritage Officer, Master of Chamorro Dance Frank Rabon and 2 assistants to conduct the US-Guam Chamorro Dance Academy and attend the Pacific Cultural Center's Annual Asia Pacific New Year Celebration in Seattle, Washington from February 5 - 10, 2020. (Estimated cost up to \$15,940.00 from Acct No. DM-CPO006). **Motion Approved.**

Airfare:	\$2,000 x 4 pax					\$8,000.00
Per Diem:		Lodging	Nights	M&IE	Da ys	
	Cultural Heritage Officer	\$184.00	6	\$76.00	6	\$1,560.00
	Master of Chamoru Dance	\$184.00	6	\$76.00	6	\$1,560.00
	Percussionist	\$184.00	6	\$76.00	6	\$1,560.00
	Guitarist	\$184.00	6	\$76.00	6	\$1,560.00
Professional Fees (Master of CHamoru Dance):				\$100.00	4	\$400.00
Professional Fees (2 pax - Percussionist & Guitarist)				\$50.00	4	\$400.00
Car Rental				\$150.00	6	\$900.00
					Total:	\$15,940.00

Background: The Asia Pacific Center (APCC) will host the Annual Asia Pacific New Year Celebration honoring and celebrating the vibrant cultures of Asia and the Pacific Islands with over 70 booth holders.

The Bureau will also continue to work closely with various active stateside Chamorro dance groups with the continuation of the US-Guam Chamorro Dance Academy, which was launched in 2014.

Issue: Board approval required for all travel.

f. RESEARCH / MEMBERSHIP & COMMUNITY OUTREACH

10. Motion made by Director Gatewood to approve \$10,000.00 for the GVB staff appreciation party. Funds to be taken from Membership. Motion rescinded.

11. Motion made by Director Shinohara, seconded by Director Kloppenburg to rescind the approval for \$5,000.00 for the Hilton Christmas party and in lieu of that, to approve \$5,000.00 to host a general party for GVB staff at a time and place appropriately decided by staff and management of GVB. Motion approved.

g. SPORTS & EVENTS

h. AIR SERVICE DEVELOPMENT

i. JAPAN

j. NORTH AMERICA & PACIFIC MARKETS

12. Motion made by Director Hoffman, seconded by Director Camacho to approve One Hundred Sixty-Seven thousand dollars (\$167,000.00) for the Philippine budget expenses for Quarter one and Quarter two. Motion approved.

PTAA TRAVEL TOUR EXPO 2020

13. Motion made by Director Hoffman, seconded by Director Kloppenburg to approve travel for the GVB President & CEO, GVB Director of Global Marketing, and GVB Director of Tourism Research, (1) Marketing Staff, (1) Cultural Heritage Officer or their designees, Miss Guam, two (2) musicians and four (4) entertainers to attend the 2020 Philippines Travel Agents Association Travel Tour Expo in Manila, Philippines from February 7-9, 2020. Estimated Total cost is approximately \$31,352.50; (\$10,277.50 from Philippines Acct. No. PI-TTC067, (\$2,575.00 from Research Acct. No. RE-RES104, and \$18,500.00 from Cultural Heritage Acct. No. DM-CPO005). Motion Approved.

Airfare:	\$850.00 x 3 pax					\$2,550.00
Per	Manila	Lodging	Nights	M&IE	Days	
Diem:	President & CEO / Designee	\$256.25	6	\$175.00	6	\$2,587.50
	Director of Global Marketing / Designee	\$205.00	6	\$140.00	6	\$2,070.00
	(1) Marketing Staff	\$205.00	6	\$140.00	6	\$2,070.00
Business Communications, Excess Baggage Fees, Meeting Expenses, etc.						\$1,000.00
MARKETING TOTAL						\$10,277.50

Airfare:	\$850.00 x 1 pax					\$850.00
Per	Manila	Lodging	Nights	M&IE	Days	
Diem:	Director of Tourism Research / Designee	\$205.00	5	\$140.00	5	\$1,725.00
RESEARCH TOTAL						\$2,575.00

Airfare:	\$850.00 x 8 pax					\$6,800.00
Per	Manila	Lodging	Nights	M&IE	Days	
Diem:	CHC Officer	\$205.00	5	\$140.00	5	\$1,725.00
	Miss Guam	\$205.00	5	\$140.00	5	\$1,725.00
	(2) Musicians	\$205.00	5	\$140.00	5	\$2,425.00
	(4) Dancers	\$205.00	5	\$140.00	5	\$3,825.00
	Prof. Fee					
Miss Guam \$100.00 x 4 days x 1 pax						\$400.00
Musicians \$100.00 x 4 days x 2 pax						\$800.00
Dancers \$50.00 x 4 days x 4 pax						\$800.00
CULTURE TOTAL						\$18,500.00
GRAND TOTAL						\$31,352.50

Background: The Travel Tour Expo was established by PTAA in 1994 to showcase the products and services of its members. Since then, the show has evolved into a popular annual industry event covering practically all segments of the travel business, making it the biggest event for the travel and tourism industry. More than 70,000 travelers/visitors were present in last year's show, with a B2B segment incorporated into the show giving more value to the trade partner and featured more than 400 exhibitors offering more travel options to visitors.

GVB has been an active participant in this show for the past 14 years and bureau will once again reach out to our airlines providers, GVB members and other Micronesian islands' NTOs/STOs to take on a regional marketing approach and offer attractive travel packages to potential visitors.

Issue: Board approval needed for all travel.

k. NEW MARKETS
Committee Meeting Minutes – December 3, 2019

Exhibit B

14. Motion made by Director Shinohara, seconded by Director Hoffman to approve \$146,000 for New Market Development expenses for Q1 and Q2. Motion approved.

I. KOREA

15. Motion made by Director Kloppenburg, seconded by Director Camacho to approve \$150,800.00 for Korea market expenses as detailed below. **Motion approved.**

FY2020				
Account Number	Korea	Month	Amount	Project
KO-SMD019	Airline Co-Op Promotions	Jan - Mar	\$35,000.00	
KO-SMD019	Travel Agent Co-Op Promotions	Jan - Mar	\$40,000.00	
KO-ADV011	Media Advertorials	Jan - Mar	\$30,800.00	
KO-DIG001	Digital Ad Buys	Jan - Mar	\$45,000.00	
	TOTAL		\$150,800.00	

Background: In compliance with Board requirements, expenses above \$25,000 are being brought to the board for approval.

Airline Co-Op Promotions

To co-op with airline partners by conducting sales contests, website promotions, and on/offline advertisements.

- Korean Air
- Jeju Air
- Jin Air
- Tway
- Air Seoul
- Air Busan

Sales Contest:

GVB will work with the airlines to announce a sales contest with target travel agencies. During the sales promotion period, target agencies will focus on Guam flight ticket sales by utilizing their PR & Marketing channels. GVB logo will be exposed in the promotion. Monetary support will be given to the participating sales agent winner (based on a criteria i.e. sales volume, growth rate, etc.)

Website Promotion:

Guam promotional page will be created on the airlines website. The airline will promote the event via their respective marketing channels. The airline will offer special benefits and giveaways to the consumer who purchases the Guam package through the promotion.

On/Offline Advertisements:

Airline will place Guam advertisement in its PR & marketing channels to target audiences (as determined by the airline).

Travel Agent Co-Op Promotions

To co-op with travel agents to support sales and marketing activities to include social commerce promotions, website promotions, and TV Home shopping, etc. GVB Korea will work with the travel agents to diversify Guam's product offering through campaign promotions. The following list are agents the GVB works with.

- Hana Tour
- Mode Tour
- Hanjin Travel
- Naeil Tour
- Web Tour

- Airtel.com
- Very Good Tour
- Worldis Tour
- Lotte Tour
- Lotte JTB
- NHN Doctortour
- Bomulsum Tour
- Interpark Tour
- KRT
- YB Tour
- Online Tour

Media Advertorials

To maximize the media exposure on the key travel trade regional media and promote Guam's signature events via advertisements on the media on a regular basis.

Month	Media	Content	AD Size	Advertorial	Type
January	The Korea Travel News BT MICE - New Year Special	Shop Guam	1 colored full-page & @	Negotiable	Print & Online
	TTL - Travel Insight		1 colored full-page	NA	Print & Online
	The Korea Travel Times		1 colored full-page & @	Negotiable	Print & Online
	Global Travel News		1 colored full-page & @	Negotiable	Print & Online
February	GQ Korea	Shop Guam	1 colored full-page	NA	Print
	Homeliving & Style		1 colored full-page	NA	Print
March	The Traveller	TBD	1 colored full-page	NA	Print
	KTX Magazine		1 colored full-page	NA	Print & Online

Digital Ad Buys

GVB Korea plans to implement its digital ad buy plan to best compliment Korea's local seasonality (national holidays, vacations and other) and Guam's calendar of events.

* Advertising Type is subject to change.

- A) Instagram - \$7,000
 - o Sponsored Ad Posts, Carousel Ads, Story Ads
- B) Facebook - \$7,000
 - o Shop Guam Video Ad, Page Like Ad, Shop Guam Carousel Ad, Post Boosting (Sponsored) Ad
- C) Kakao - \$12,000
 - o Kakao Moment Page Like Ad, Kakao Moment Video Ad
- D) Youtube: \$6,000
 - o TrueView Video Ad - skippable ad, charge after 5 seconds (Cost Per View)
- E) Google Banner Ad - \$6,000
- F) Creative Fees: \$7,000

Discussion:

- Vice Chairman Morinaga would like to see Airline Co-Op promotions and incentives under the Air Service Development Committee.

- A motion to move Airline Co-op promotions under Air Service Development was brought up by Director Camacho, however tabled for further discussion.

m. GREATER CHINA

TAIPEI LANTERN FESTIVAL 2020

16. Motion made by Director Camacho, seconded by Director Shinohara for the Greater China Marketing Committee (GCMC) Chair or Vice Chair, and Marketing staff (1), to attend the 2020 Taipei Lantern Festival from February 5-11, 2020. Cost is approximately \$6,987.00 to be taken from Account Number TA-SMD019. **Motion Approved.**

Airfare:	\$1,000 x 2 pax				\$2,000.00
Per Diem		Lodging	M&IE	Nights/Days	
	GCMC Chair or V. Chair	\$1,305.00	\$910.00	6N/7D	\$2,215.00
	Marketing Staff	\$1,044.00	\$728.00	6N/7D	\$1,772.00
Miscellaneous Expense (excess baggage, business communication, business meetings, etc.)					\$1,000.00
TOTAL					\$6,987.00

Background: GVB will participate in the 2020 Taipei Lantern Festival. This is a large international and consumer event that attracts about 4 million people from Taiwan and around the world during the course of the festival period. The opening ceremony itself is traditionally participated by about 300,000 people.

In the past 3 years, the festival has included an international friendship exchange area that about 12 countries and cities have joined up, each adding their part to promote their destination to a wide audience. GVB will construct a lantern float and have a booth display at the festival. This is Guam's opportunity to showcase our destination at a non-traditional travel exhibition. Government protocol would have the honor to participate in the opening ceremony and attend VIP sponsored events along with the Guam delegates. Taipei City and Guam signed a friendship agreement in 1973 and maintains this relationship to date. Taiwan continues to hold a strong market for Guam and with government protocol participation, this would impact Guam's presence and strengthen our relations as we continue to expand our initiatives in this region.

Issue: Board approval for travel required.

VII. OLD BUSINESS

VIII. NEW BUSINESS

IX. EXECUTIVE SESSION

X. ANNOUNCEMENTS

- a. Governor's Holiday Home & Christmas Festival Flyer

- b. Upcoming Board Meetings:

- Thursday, January 9, 2019 at 3:30pm, GVB Main Conference Room
- Thursday, January 23, 2019 at 3:30pm, GVB Main Conference Room

c. Request for BOD meeting time consideration

- Director Shinohara requested if management could consider revising the time of the regular board meeting.
- Director Arriola requested if we could manage to have a one-hour meeting or from 3:30-5:00 p.m.

XI. ADJOURNMENT

17. Motion made by Director Shinohara, seconded by Director Dela Cruz to adjourn the board meeting at 6:14 p.m.



Mrs. Theresa C. Arriola, Secretary of the Board of Directors



Board Minutes respectively submitted by Valerie Sablan, Executive Secretary