



GUAM VISITORS BUREAU

50th ANNIVERSARY - 1963 - 2013

REGULAR BOARD MEETING
GVB MAIN CONFERENCE ROOM, 4:00PM
THURSDAY, November 8, 2012

Board of Directors Present:

Chairman Monte Mesa
Hope A. Cristobal
N. Oscar Miyashita
Rizk Saad

Bruce Kloppenburg
Therese Arriola
Judy Flores
Nathan Taimanglo

Board of Directors Present Telephonically:

Board of Directors Absent:

V. Chairman Mark Baldyga
Eduardo "Champ" Calvo
Carol Tayama
Jennifer Camacho

GVB Management and Staff Present:

Joann Camacho
Laurette Perez
Mark Manglona
Meriza Peredo

Nathan Denight
Rose Cunliffe
Debi Phillips
Felix Reyes

Sonja Lujan-Sellers
Pilar Laguana
Antonio Muna
Yuji Mitsumori

Guests:

Ken Baki (RW Armstrong)

❖ **Proceedings:**

Meeting called to order at 4:24 p.m. by Chairman Monte Mesa.
Review of the previous Regular Board minutes dated October 11, 2012.

- o **Motion made by Director Flores, seconded by Director Miyashita, to approve the minutes of October 11, 2012.**

Motion approved (subject to correction).

❖ **Chairman's Report:**

- Chairman Mesa reported on the 5-year Strategic Planning Session that took place on October 11, 2012.
- Chairman Mesa commended the Management team for a very well thought out plan, from the visions to the mission statements that were put together.

- Chairman Mesa reported on the Marketing approach and strategies that have been initiated and thought of were going in the right direction.
- Chairman Mesa stated the main issue for the Board is to look at the element of the measured results of the following:
 - Management recommended projections of 5 year targets for the market segments
 - Maintaining hotel occupancy rates and keeping them up
 - On-island visitor consumer expenditures as we continue to track the exit surveys
 - Airline seat capacity
- Chairman Mesa stressed the addition of this initiative for more airlines from the different countries to result in the increase of visitors.
- Chairman Mesa stated another executive summary will be finalized for the Board after a refinement of the last discussion. He added the Board will need to work with committees, industries players and major contributors in what other areas can be worked on and have it finalized for the Membership presentation.
- DGM Denight asked the Board to please review the plan and send in their thoughts and comments. He added that by the next Board meeting they will have the suggested success measures that will be given to the Board for approval, then reviewed by the Stakeholders.
- Chairman Mesa reported that the Chamber is reestablishing the "Carabaos on Vacation" program for early this year (January to April).
- Chairman Mesa would like for GVB to take part in it for the visitor element of having tourists of all markets, and the social media. Visitors can submit pictures of themselves and 2 carabaos to enter in a lottery. Sponsors will pay for a return trip to Guam after the 4 month campaign. Essay contests (elementary to college students) will be ongoing for the local community.
- Chairman Mesa reported there are an additional 20 carabaos from the original 32 from the initial campaign. He added 5 have already been committed.
- Chairman Mesa stated there will be no financial cost to GVB for this campaign except for the social media and business recommendations to sponsor this campaign.
- Chairman Mesa reported on the International Table Tennis Tournament. It was great exposure and moneys were spent on island.
- Chairman Mesa reported the delegates were impressed and complimented the program, the accommodations and hospitality extended.
- Chairman Mesa reported the coverage both locally and internationally from the International Board, sports website and Facebook will hopefully bring returns with elevating this program for the future.
- Chairman Mesa thanked the Board for their support.

❖ General Manager's Report:

PRELIMINARY October 2012 Visitor Arrivals
Total: 104,334 (15.6%)

% Market Mix	Origin	Pax	% to LY
67.7%	Japan	70,612	14.3%
15.5%	Korea	16,122	50.7%
4.4%	US/Hawaii	4,614	-0.6%
3.5%	Taiwan	3,688	-9.6%
1.0%	China	1,087	-12.5%
0.3%	Russia	361	401.4%

Source: Guam Visitors Bureau, compiled by the Guam Visitors Bureau
 GVB Board of Directors Meeting
 November 2012 - Tumon, Guam | GVB Main Conference Room
 Prepared by: GM Camacho

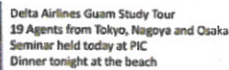
- GM Camacho reported Korea up by 50.7% due to additional aircrafts.
- GM Camacho reported China is down by 12.5% due to seasonal business.



IGAB Secretariat/Chairman's Meeting
November 02, 2012 – Turin, Queen I.GAB Main Conference Room
For all details go to www.igab.it



CHS Board of Directors Meeting
November 02, 2012 - Bismarck, Guam IGA-5 Main Conference Room
11/02/2012 10:00 AM - 11:00 AM



GLP Good Practice Meeting
November 01, 2012 - Yaman, Oman (GVN Main Conference Room)
Participants: 10



- LG U+ TV with PSY Promotion

GLP Studies/Chemical Meeting
November 08, 2012 - Tucson, Guan IGV2 Main Conference Room
E-mail: glp@chem.mcgill.ca

Month	Forecast Pass	Last Year	%Change	Seat Forecast 12	Seat Ratio 11	% Change Seats
November	17,588	13,234	32.2%	25,214	16,116	43.9%
December	59,000	13,066	39.0%	27,063	16,156	49.9%
January	20,009	14,216	23.3%	32,593	19,837	64.3%

GSE Board of Directors Meeting
 November 01, 2010 - Tucson, Queen I GSE High Conference Room
 6000 West of the Sun Conference Room

- Director Miyashita reported the number of seats in the projection do not correspond with the increase because of the lack of rooms.
- Director Miyashita stated he is disturbed with the numbers in January and would typically like to see an increase of 35-40%.

Korea Market

Korea Outbound Travelers Guam Market Share



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Outbound	1,500	1,800	2,200	2,500	2,800	3,200	3,500	3,800	4,200	4,500	4,800	5,200	42,300
Guam Share	1.5%	1.8%	2.2%	2.5%	2.8%	3.2%	3.5%	3.8%	4.2%	4.5%	4.8%	5.2%	3.5%

* Blue K outbound projection

GVB Board/Chairman Meeting
November 03, 2012 - Tumon, Guam IGH-B Main Conference Room
A-105, Office of the Director of Tourism

Korea Market

Consumer promotion



LG U+ TV with PSY Promotion

GVB Board/Chairman Meeting
November 03, 2012 - Tumon, Guam IGH-B Main Conference Room
A-105, Office of the Director of Tourism

Korea Market

Co-op Promotion



- *Busan Public Charter flights
- *Coupons brought to Pleasure Island to redeem for Godiva Chocolates
- *KE Skypass Members = 10 million +

KE Skypass members Online Promo

GVB Board/Chairman Meeting
November 03, 2012 - Tumon, Guam IGH-B Main Conference Room
A-105, Office of the Director of Tourism

Korea Market

Co-op Promotion



- *GVB Co-op promotion with Jeju Air & Jeju Tour
- *Special Guam packages if booked on Jeju Air
- *Involves all major Guam hotels

Jeju Tour Online with Jeju Air

GVB Board/Chairman Meeting
November 03, 2012 - Tumon, Guam IGH-B Main Conference Room
A-105, Office of the Director of Tourism

Chamorro Performance



Chamorro performance groups will perform at the 2013 Guam Visitors Bureau Convention on Dec. 12, 13 and 14 at the 10th stage. Performances will be held at the 10th stage of the 2013 Guam Visitors Bureau Convention on Dec. 12, 13 and 14 at the 10th stage.

GVB Board/Chairman Meeting
November 03, 2012 - Tumon, Guam IGH-B Main Conference Room
A-105, Office of the Director of Tourism

ITF Summary Report



Nov. 7, 2012



GVB Board/Chairman Meeting
November 03, 2012 - Tumon, Guam IGH-B Main Conference Room
A-105, Office of the Director of Tourism

Interaction With Audience



Audience were encouraged to participate the activities on Guam Booth, such as G-U-A-M Dance, Beanie-Stamp, and Check-in at Guam Booth event for FB Fanpage.

GM Board/Chairman Meeting
November 08, 2012 - Tumon, Guam IGM Main Conference Room
November 08, 2012 - Tumon, Guam IGM Main Conference Room



Trade Relationship



During ITF period, GVB delegation had a dinner meeting with China Airlines, as well as had courtesy visits to China Airlines and EVA Airways. GVB also host a trade gatherings with airlines, travel agencies and trade partners.

GM Board/Chairman Meeting
November 08, 2012 - Tumon, Guam IGM Main Conference Room
November 08, 2012 - Tumon, Guam IGM Main Conference Room



Media Interview



Media interview with TTN, Sun Travel, Global Tourism Vision, and ICRT during Oct. 25-27.

GM Board/Chairman Meeting
November 08, 2012 - Tumon, Guam IGM Main Conference Room
November 08, 2012 - Tumon, Guam IGM Main Conference Room



- GM Camacho reported she is working on Staffing needs. She added Senator Muna-Barnes asked what is needed because of the growth of business.
- GM Camacho reported the TAF collection was over \$25 million this past year.
- GM Camacho reported DGM Denight and herself are putting together position packages that she would like the Legislature to entertain to support the growth of social media, procurement and volume.
- Chairman Mesa asked for the final number and schedule up to FY2013.
- Director Miyashita asked what was the TAF collection anticipated to be in which GM Camacho and Chairman Mesa answered \$23 million.
- Director Arriola stated this may be the time, in light of addressing personnel, for the Board to assess what we wanted that was not funded in the past.
- Chairman Mesa answered this is where we will move and fund for Destination Management projects.
- GM Camacho stated it is needed to move fast and do this before the end of the year and the new Legislature comes in.
- GM Camacho stated this is a rare time to put in additional FTEs that will go in and carry over in the next budget.
- GM Camacho reported she did put in the camera system when asked about the Safety and police officers.
- Director Saad stated he will work with Doris Ada on Monday so not to stall this.
- GM Camacho reported this is very rare opportunity for the Bureau as the Legislature adds it versus doing it during the budget period.
- Director Saad asked if this can include another Tour Inspector with only one currently and it is not enough.
- Director Kloppenburg stated the lost of the TIR officer, which is desperately needed.
- GM Camacho stated it is part of the work that will be presented.
- GM Camacho reported this will need to be turned into Sen. Muna Barnes office by November 19.

❖ Report of the Treasurer:

○ Cash Position Report:

- Cash report as of October 6, 2012.
- Total cash in banks report (as of 11/06/12) \$11,713,401.50
- Total allotment received to date: \$15,728,272.51
- Motion to accept cash position by Director Kloppenburg, seconded by Director Taimanglo.
Motion approved.

Discussion:

- Director Cristobal reported the rainy day fund has been established with \$800,000.

❖ Report of the Board Committees:

A. The Strategic Advisory Council:

B. Administration/Government Relations:

C. Executive Committee:

- Director Kloppenburg made a motion, seconded by Director Cristobal, to ratify Executive Committee's approval of travel for two (2) GVB Japan Staff to support the execution of the Delta Håfa Adai Study Tour. Travel dates from November 7-10, 2012. (Estimated cost \$375.00; account #SMD002)
Motion approved.
- Director Kloppenburg made a motion, seconded by seconded by Director Cristobal, to ratify Executive Committee's approval of travel for the Research & Statistics Analyst II to attend the Japan In-Country Research Focus Group Interviews from November 10-12, 2012 in Tokyo, Japan (estimated cost \$2,245.00; account RES101).
Motion approved.
- Director Kloppenburg made a motion, seconded by seconded by Director Cristobal, to ratify Executive Committee's approval of travel for one (1) GVB Management / Board, two (2) GVB Staff to attend the upcoming National Tour Association (NTA) China Road Show on November 13, 2012, in Xi'an, China, as well as, an exhibitor within the Brand USA Pavilion at the China International Travel Mart (CITM) from November 15 – 18, 2012, in Shanghai, China. (Estimated cost of travel is \$13,000.00 from FY2013 China Budget Acct #CI-TTC034)
Motion approved.
- Director Kloppenburg made a motion, seconded by seconded by Director Cristobal, to ratify Executive Committee's approval of travel for two (2) GVB staff to attend the National Tour Association (NTA) Travel Exchange Convention in Orlando, Florida from January 20-24, 2013. Cost is approximately \$8,000.00 from the FY2013 North America Sales Marketing Development Acct# SMD023.
Motion approved.
- Director Kloppenburg made a motion, seconded by seconded by Director Cristobal, to ratify Executive Committee's approval of travel for one (1) GVB management / Board and two (2) GVB staff to jointly promote under the Visit USA Russia Brand USA Pavilion at MITT 2013 in Moscow, Russia from March 18 – 23, 2013. (Cost approximately \$25,184.21, from the FY2013 Russia budget)
Motion approved.

D. Japan Marketing:

- Director Kloppenburg made a motion, seconded by Director Cristobal, to approve travel of the Deputy General Manager to attend a meeting with Sendai Airport officials in Sendai, Japan prior to the signing of a Sister Airport Agreement between GIAA and Sendai Airport from November 16-17, 2012. (Account number SMD008, Estimated Cost of Travel: \$1,691.25).

Motion approved.

- Director Kloppenburg made a motion, seconded by Director Arriola, to approve travel for the GVB Japan Manager to attend the signing of a Sister Airport Agreement between GIAA and Sendai Airport from November 17-20, 2012. (Account number SMD008, Estimated Cost of Travel \$1,312.50).

Motion approved.

- Director Kloppenburg made a motion, seconded by Director Cristobal, to approval travel for three (3) GVB Japan staff to attend the Japan Guam Tourism Council Guam meeting on November 28, 2012. Travel dates are from November 26-30, 2012. (Estimated cost \$4,425.00; account # SMD003)

Motion approved.

E. Korea Marketing:

- Director Arriola raised her concern of the negative campaign that will eventually happen if the hotel room issue is not addressed because all our marketing efforts will be pointless.
- Chairman Mesa stated that another hotel will be coming on board and GEDA is working on attracting potential hotel investors. He added some hotels are working on refurbishments and hopefully it will help with the room inventory shortly.
- Director Kloppenburg stated it is also a problem with the China market as discussed during the last EMC meeting.
- Director Kloppenburg stated it is important to free up the rooms that the military use because of the good yield visitors bring and the lost of the Chinese charter business. He added a letter has been drafted to the military to work out a year round schedule/calendar together in hopes that they can revisit their training schedules so its not conflicting with peak seasons.
- Director Kloppenburg stated his reluctance to release the letter because of the military being a great tourism partner (he cited in the mid 90's, the military came out and supported the local economy by putting up their soldiers into the hotels) and the military is a valuable customer and we want them to continue to use our hotels.
- Director Kloppenburg stated that on the other hand the military is on a lower price range and what is happening is we are giving up good yield on Chinese charters.
- Director Kloppenburg stated we do have to manage the best we can with what we have.
- Director Saad stated it comes down to the individual hotels on revenue management. Each hotel has a certain agent it deals with and certain markets and the bottom line is where they get most of their money from.
- Director Saad stated there are several hotel facilities sitting idle that the military may have some interest in and maybe we can talk with property owners to package these rooms for military exercises.
- Director Kloppenburg stated it is ongoing and heard the Sherwood is being put up for the military with 400 rooms (4 pax / room) for the rotational forces.
- Director Kloppenburg stated Japan is 90% of the market and controls 70% of the rooms. Their agents will not give up their holds on the room inventory. He added it will be very difficult to increase the yield on each hotel but each hotel will make those decisions.

- Director Kloppenburg stated because of Japan not giving up their control we need to be creative and find solutions to look elsewhere. He added it is a great opportunity for mom and pop hotels (citing properties in the South).
- Director Miyashita strongly urged Director Kloppenburg to ensure he works with the right people before anything is put into writing.
- Director Kloppenburg agreed and assured the Board the last thing he wants to do is to offend our military partners.
- GM Camacho stated its going to take more than herself to really push this and wants to really bring together at the Board levels from GVB, GIAA and GEDA. She added she tried but this just isn't a priority for them.
- Director Camacho stated were wasting our time if none of the agencies are on the same level.
- Director Kloppenburg stated that GVB will step up and take the lead. He suggested putting together an industry forum.
- Chairman Mesa reiterated Director Arriola's concerns about the diminishing returns. He added it's a balance that needs to ascertain and will work closely with the GHRA member hotels.
- Chairman Mesa stated its basically selling rooms right now. He added once its sold we need to reassess the marketing to further it and not destroy the image that we built.
- GM Camacho stated she shares the same sentiments as Director Kloppenburg. She added she spoke with Milton from P.H.R. Ken Corporation and he did tell her that Japan gives blocks all year round.
- GM Camacho stated the Guam has a unique situation in this 2013 year with holidays connecting to weekends. We will have it for 2 years in the next few years but we will have another problem so we need to work this through.
- GM Camacho stated it may take working with individual properties this year to make it work.
- Chairman Mesa stated it will need to be approached in a different strategy to work with the GHRA group to make sure we don't turn off too many people and get the reverse advertising impact.
- GM Camacho asked when can the industry forum be done.
- Director Kloppenburg assured it will be done and it's important to sit down and tackle this problem before it becomes a big one.

F. Existing Markets:

- Director Taimanglo reported the next EMC meeting will be next week Wednesday, November 14 at 10:30am.
- Director Taimanglo reported the PATA Micronesia Chapter membership Meeting will be held on December 11-13 here on Guam with the venue to be confirmed. He added the guest speaker will be Mr. Chris Flynn who is the Regional Director of the PATA Pacific Region and the Managing Director at Oz Bound Tours.
- Director Taimanglo reported on the Shop Guam Festival Campaign with the Taiwan Ambassador having been selected which resulted in the 1.5 million hits on the GVB Taiwan Facebook page.
- Director Taimanglo reported that Ms. Hsiang-Hsiang Chang was the winner and brought over 330,000 subscribers to her Facebook page.
- Director Taimanglo reported on the Taiwan Charter Schedule during the Chinese New Year bringing eight (8) extra flights from January 24, 2013- February 16, 2013 and a total of 2,122 extra seats.

G. New Market Development:

- Director Kloppenburg reported on NMDC committee meeting on October 24.
- Director Kloppenburg reported the discussion with the Chinese visa waiver.

- Director Kloppenburg stated now that President Obama has been reelected, the momentum of ongoing prior to the election can pick up. He doesn't think that there may be any significant staff changes so the people in the loop may have it move forward.
- Director Kloppenburg reported on the Visit USA Roadshow in September in St. Petersburg and Moscow that went very well.
- Director Kloppenburg reported on the Global Media FAM tour of 70 pax (October 1st-10th). He added there was so much media coverage that staff was very pleased with the outcome.
- Director Kloppenburg reported on October activity with 3 Russian groups, Korean FAM tour groups, Visit USA, Korean tour agents and Korean Air Russia.
- Director Kloppenburg reported he will be attending the Asia Golf show in China on November 30-December 02.
- Director Kloppenburg reported on the NTA Road show on November 13 in Xion, China.
- Director Kloppenburg reported the NTA Road show will phase right into the CITM in Shanghai with Onward Beach hotel Management attending with GVB.
- Director Kloppenburg just concluded and completed negotiations with the Russia Marketing Rep from Moscow stationed out of Vladivostok.
- Director Kloppenburg reported on the 3 FAM Tours happening on Guam right now (1) 15PAX from St Petersburg- Korean Airlines (2) Vladivostok- Korean Airlines (3) Avia Charter FAM Tour on November 9-15.
- Director Kloppenburg reported these FAM Tours are the result of the previous investments made last year.
- Director Kloppenburg reported on the Shop Guam Festival Campaign taking place at the end of the month.
- Director Kloppenburg expected that it will bring in a ton of social media.

H. Destination Management:

- Director Saad reported there has been no DMC committee meeting this month yet.
- Director Saad reported on requests that have been made regarding the culvert cleaning status with Maeda and there has been no response.
- GM Camacho reported they have started with a schedule already been given out and it should start tomorrow – November 09.
- Director Kloppenburg reported the road friction application has also started.
- GM Camacho reported from FY2012, \$82,000 that hasn't been transferred but has been approved through the BBMR process. She added she's tried to call but no one is there but will follow up next week but would like to have it before the end of the year.
- Chairman Mesa stated to earmark the funds for Destination Management.

I. Membership Management:

- Director Kloppenburg reported on the election and nominees need to be submitted by Dec. 06. He added 4 names have been submitted so far.

J. Research:

- GM Camacho reported numbers are caught up and current.
- Chairman Mesa asked about status of airport exit surveys for Japan market and if we're up to speed.
- GM Camacho reported Research is working on September right now.

K. Cultural Heritage & Community Outreach:

- See ChaCo minutes (Exhibit B) attached.

- Director Flores made a motion, seconded by Director Kloppenburg to approve travel for Director Theresa Arriola to attend the upcoming 2012 Austronesian International Conference in Taiwan scheduled for November 26 – 30, 2012. (Estimated cost up to \$2,500.00 from the FY2013 Budget, Account No. CPO-003).

Discussion:

- GM Camacho pointed out because Director Arriola recused herself from the vote- there is not enough.
- Director Miyashita tried to contact Director Calvo to make the 8 but to no avail.
- The Board decided to let this go to the Executive Committee for review and approval because of its time sensitivity.
- Chairman Mesa made a motion, seconded by Director Kloppenburg, to withdraw the motion for Director Therese Arriola to attend the 2012 Austronesian International Conference in Taiwan and have the motion sent to Executive Committee for their review and approval due to a lack of quorum for a vote because of a recusal from Director Arriola.

Motion approved.

L. Sports & Events:

- DGM Denight reported on a Chess tournament taking place here on Guam and helping the organization to connect with the Russian market and hopefully bringing out a Grand master.
- DGM Denight reported on the Marianas Beach Volleyball Cup that usually takes place in Saipan for the last 20 years but is entertaining Guam as the host for this year. He added Pro-Olympians beach volleyball players will be invited to attend.
- DGM Denight reported on the International Table Tennis Tournament with a week long of great coverage internationally with the organization very impressed and stating this may be the best tournament.

❖ **EXECUTIVE SESSION:**

- Director Kloppenburg called an Executive Session.

❖ **OLD BUSINESS:**

- Chairman Mesa asked if there are any pressing items needing to be addressed so a special Board meeting can be called since the next scheduled Regular Board meeting falls on Thanksgiving day.
- Chairman Mesa stated the next Regular Board meeting will be held in December and financial statements and closing of the Fiscal year statements will be given out.

❖ **NEW BUSINESS:**

❖ **ANNOUNCEMENTS:**


- Chairman Mesa made a motion, seconded by Director Cristobal, to call a recess to the regular meeting for an Executive Session regarding personnel matters.

Motion approved.

❖ **ADJOURNMENT:**

- Motion made by Director Arriola, seconded by Director Cristobal to adjourn the meeting. Meeting adjourned at 6:02p.m.

Motion approved.



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



Board Minutes prepared by Meriza Peredo, Executive Secretary



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