



GUAM VISITORS BUREAU

50th ANNIVERSARY · 1963 - 2013

REGULAR BOARD MEETING
GVB MAIN CONFERENCE ROOM, 3:30PM
THURSDAY; June 27, 2013

Board of Directors Present:

Vice Chairman Bruce Kloppenburg
Jennifer Camacho
Robert Hofmann
N. Oscar Miyashita
Nathan Taimanglo

Eduardo "Champ" Calvo
Judith Guthertz
Bartley Jackson
Norio Nakajima

Board of Directors Present Telephonically:

Board of Directors Absent:

Chairman Mark Baldyga
Milton Morinaga

Therese Arriola
Annmarie Muna

GVB Management and Staff Present:

Karl Pangelinan
Rose Cunliffe
Antonio Muna
Laurette Perez

Nathan Denight
Dee Hernandez
Elaine Pangelinan
June Sugawara

Kraig Camacho
Nadine Leon Guerrero
Meriza Peredo
Haven Torres

Guests:

❖ **Proceedings:**

Meeting called to order at 3:50 p.m. by Vice Chairman Bruce Kloppenburg.

- Review of the previous Regular Board minutes dated June 13, 2013.

Exhibit A

Motion made by Director Guthertz, seconded by Director Hofmann, to approve the minutes of June 13, 2013.

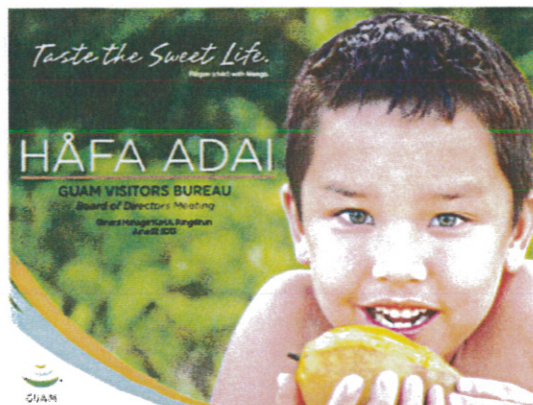
Motion approved (subject to correction).

❖ Chairman's Report:

- Vice Chairman Kloppenburg reported that votes are being aggressively worked on for the bylaw amendments election at the June 28 Membership meeting.

❖ General Manager's Report

Exhibit B



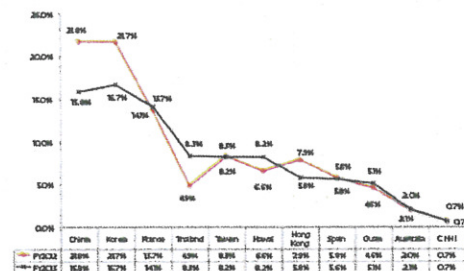
PRELIMINARY FYTD Visitor Arrivals
October 2012 – June 21, 2013
Total: 951,173 • 7.6%

Market Share %	Country	Arrivals	% to LY
68.8%	Japan	654,002	3.4%
17.0%	Korea	161,567	44.1%
4.3%	US/Hawaii	40,962	-10.8%
3.3%	Taiwan	31,192	10.5%
0.8%	China	2,500	13.6%
0.5%	Russia	5,010	187.4%

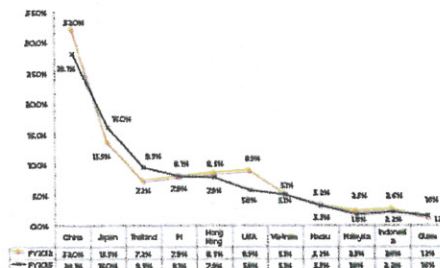
PRELIMINARY MTD Visitor Arrivals
June 1 - 21
Total: 66,9551 • 3.4%

Market Share %	Country	Arrivals	% to LY
62.9%	Japan	42,144	-31%
21.3%	Korea	14,250	35.0%
4.5%	US/Hawaii	2,999	-13.2%
5.1%	Taiwan	3,417	25.1%
0.7%	China	471	56.5%
0.6%	Russia	374	28.1%

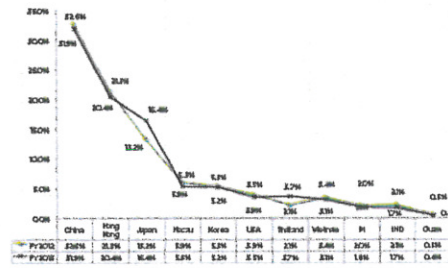
JAPAN MARKET SHARE
1st Quarter
Fiscal Year 2012 • 2013



KOREA MARKET SHARE
1st Quarter
Fiscal Year 2012 • 2013



TAIWAN MARKET SHARE
1st Quarter
Fiscal Year 2012 • 2013





JAPAN - Hāfa Adai Study Tour

- 91 participants, all 9 ports with direct flights
- Participants are group and wedding focused
- First group arrives 6/27
- Welcome reception on 6/28 at Hyatt Seaside Deck
- Seminar, trade show at Sheraton

JAPAN - Marketing News

PR in Japan

- Even Magazine
 - Golf magazine introduced Guam Golf Camp
 - PR Value at \$117,697.41
- Hanamaru Market
 - Nationwide TV program targeting women
 - Air date July 4
 - Anticipated value \$1,412,368
 - GVB Cost: \$7,489.84



JAPAN - Marketing News

Student Market

- Study Tour for principals and teachers in the planning for August
- Working with United and our Friendship city Okayama
- Anticipate 10 participants
- Reaching out to other organizations for alternatives to limited school capacity
 - Junior Achievement willing to assist and develop long term relationships
- Kure Showa HS will sign a sister school agreement with Simon Sanchez HS in Nov

JAPAN - Marketing News

Guam Ko'ko' and Half Marathon

- Bronze Sponsor secured - Goldwin - sports apparel manufacturer
 - Includes C3 Fit and NorthFace
 - Goldwin will introduce the Guam race on their website, FB and distribute fliers
- Race to be featured in Running Style - August

NORTH AMERICA - IPW 2013



HONG KONG - International Travel Expo



- Director Miyashita requested that he prefers to see the Market share chart as presented to see where we're at with the competition.

❖ Report of the Treasurer:

Exhibit C

Cash Position Report:

Cash report as of June 24, 2013.

Total cash in banks report (as of 6/24/13) \$16,353,539.27

Total allotment received to date: \$12,793,262.55

Motion to accept cash position.

Motion approved.

❖ Report of the Board Committees:

A. EXECUTIVE COMMITTEE

9th International Forum on Chinese Outbound Tourism (IFCOT)

Director Jackson made a motion, seconded by Director Guthertz to ratify Executive Committee's approval of additional funding toward airfare and excess baggage fees for GVB Marketing Staff to attend the 9th International Forum on Chinese Outbound Tourism (IFCOT) from June 23-26, 2013 in Beijing. (Cost approximately \$3,000.00 and will come from the FY2013 IFCOT Account CI-TTC075.)

Motion approved.

Travel Expenses:

Description	Breakdown	Total
Airfare:	\$1,000 x 2 pax	\$2,000.00
Excess baggage fees:	\$500 x 2 units	\$1,000.00
Total:		\$3,000.00

Background:

On May 23, 2013, travel for five (5) delegates to attend the 9th IFCOT from June 23-26, 2013 in Beijing and two (2) GVB Marketing Staff to conduct meetings and sales calls in Shanghai with U.S. Consulate Shanghai, Korean Airlines, and United from June 27-28, 2013 was approved by the GVB Board of Directors. Due to increase in air ticket bookings and overall sales from Beijing and Shanghai to Guam, airfare has increased, as lower class levels of seats are unavailable. Additionally, as delegation will meet with trade partners and execute an island vacation destination seminar featuring Guam, GVB will need to bring special promotional material and gift items to Beijing and Shanghai to strengthen relationships with these key partners.

IFCOT - In its 9th year, IFCOT promises a high-end industry summit with a unique platform for public and business relations to: (1) catch up with the latest trends and explore successful experiences in Chinese outbound tourism market, (2) conduct practical and effective business networking and detect cooperation opportunities, (3) learn and share the authoritative outbound tourism

data/market research report, and (4) draw lessons from other organizations or companies who have rich experiences with Chinese outbound tourism market.

Shanghai - Due to recent updates in U.S. visa processing, GVB Marketing Manager and Marketing Officer II have the opportunity to meet with the U.S. Consulate in Shanghai to discuss updates in the market and proposed marketing programs for U.S. destinations. GVB Marketing personnel will continue to work with their contacts in the U.S. Commercial Service, American Chamber of Commerce, and Korean Air in promoting Guam to viable target market segments. GVB will also meet with wedding and travel suppliers which both currently and plan to sell the Guam product. This will strengthen Guam's targeted awareness to industry partners, which will open the possibility of placement in the evoked set of travel destinations to potential visitors from Mainland China.

Issue:

Board approval for travel required.

- Vice Chairman Kloppenburg reported that the airline expense was greater than anticipated primarily due to airlines running at full capacity.

B. KOREA MARKET:

- Director Miyashita reported that numbers continue to look good. He stressed the need to be mindful and vigilant that Korea is the secondary market for Guam and emphasized the importance of this market. It's important that GVB continues to be aggressive with the marketing efforts. He also recognized Mr. Henry Lee from the Korea office and applauds him for a job well done.
- Director Miyashita reported that KOTFA was a success. The Busan International Trade Fair will be in September as well as a roadshow in August.
- Director Miyashita reported that we are still pursuing another airline directly from Busan.
- Director Miyashita reported on the KTAG development. He explained that KMC is still exploring the need for a KTAG and how to go about it. He understands the need for us to initiate but the question is the need of a new and separate organization to do that. Options of a subcommittee under the KMC or having KGTC identify one (1) individual on the ground, to work on their behalf, are being considered. Vice Chairman Kloppenburg expressed the need for Korea to step up with assisting JGTA. As an important component to the market, they need to support and assist JGTA's efforts with the beach cleanup, safety and airport issues. Korea is a significant component to the Guam product and without a local organization there is no one to go to.

C. MEMBERSHIP DEVELOPMENT

Exhibit E

Director Jackson made a motion, seconded by Director Guthertz to adopt the proposed changes, as changed by the Board of Directors, to the By-Laws. This is subject to approval of required number of votes from members.

Motion approved.

Background:

GVB is undergoing a strategic review of its operations in order to be more efficient at delivering services mandated by Guam law. From Administration to Marketing, Destination Management to Research, GVB's conducting a comprehensive top to bottom review so to effectively continue carrying out the mission.

Part of this process is the review and updating of GVB's By-Laws. Over the past few months, GVB's Board of Directors have been meeting with Senior Management and Legal Counsel to analyze the current by-laws and have suggested the following amendments:

- a) Amendment 1: Revise Article I, GVB's Purpose, to reflect what is stated in GVB's enabling legislation.
- b) Amendment 2: Revise Article V & VI, Election Meetings & Annual Meetings respectively, to address the ambiguities of timeframes for both meetings. Additionally, to revise procedures of notifying members of meetings being held.
- c) Revise Article VIII, Ratification of Executive Committee motions, to allow for the ratification by the full Board of Directors at the next regular Board meeting.

The amendments are necessary to follow current Guam law and advancements in technology, efficiency in its operations and delivery of services.

Issue:

Board approval of amendments before presenting to Membership, which requires a two-thirds (2/3) majority vote to pass.

- DGM Denight explained these amendments are mainly to mirror GVB's enabling legislation and to comply with the open Government law.
- At the suggestion of the Directors, during the presentation, the following revisions were made to the amendments:
 - Director Calvo suggested keeping Amendment 9 Article V Section 9 as is.
 - Director Calvo suggested revising the language in Amendment 10 to state "as provided by law" instead of citing code sections as code sections change all the time.
 - Directors want to ensure that Amendment 15 is compliant with Open Government Law.

D. NORTH AMERICA & PACIFIC (NAP)

PATA Executive Board Meeting - July 11-13, 2013, Bangkok, Thailand
Director Guthertz made a motion, seconded by Director Jackson to approve travel for Guam Visitors Bureau General Manager to attend the PATA Executive Board Meeting in Bangkok, Thailand from July 11 - 13, 2013. Approximate cost for travel is \$2,500.00 and will be taken out of Pacific Market account number SMD025.

Motion approved.

Estimated Cost of Travel to Bangkok, Thailand	
Airfare (\$1,000 x 1 pax)	\$1,500.00
Per diem (Lodging: \$146 x 1) + (MIE: \$103 x 3 days) x 25%	\$568.75
Miscellaneous expenses	\$431.25
Total	\$2,500.00

Background:

The upcoming PATA Executive Board Meeting is scheduled for July 11-13, 2013 in Bangkok, Thailand. The PATA Executive Board will meet to address the 2013 Action Plan, budget, the PATA Strategic Business Plan of 2014 - 2016, and upcoming PATA events.

The Guam Visitors Bureau's (GVB) attendance in the PATA Executive Board is important, especially as GVB General Manager serves as board member and Chairman for the Government/Destination Committee. GVB stands to gain valuable information such as issues affecting travel to the region, opportunities to increase our market share and PATA's strategic business plan for the coming years.

Issue:

Board approval for travel required.

E. RESEARCH:

F. DESTINATION MANAGEMENT:

- Tumon Revitalization Funding request bill
 - A small team consisting of Chairman Baldyga, Vice Chairman Kloppenburg, Director Hofmann, GM Pangelinan, and DGM Denight will go over some of the projects. A draft form has been done and will be tightened up after further discussions.

G. RUSSIA & NEW MARKETS DEVELOPMENT

- Director Jackson reported that a termination notice was given to the current marketing representative that is being used in Russia. After many discussions, with management and marketing staff, a huge case had been built upon making this decision. The major issues, among other things, that was concerning were:
 - This representative hadn't positioned Guam where it should have,
 - Insisted upon doing meetings on his own without GVB input, and
 - Is currently working with competing destinations.
- Director Jackson reported that June was a strong month. There have been challenges with hotel bookings because of a number of big military groups occupying hotels in July and August. He added that it is always tough to book stays for 2-3 weeks at a time.
- Director Jackson stated a decision will need to be finalized for Avia Charters regarding how much financial assistance. Avia Charters wants to begin flying out this fall.

H. SPORTS & EVENTS

- Director Taimanglo reported that the committee had met with a group to discuss the feasibility of putting together a music festival. The numbers came out good and it's just a matter of ensuring the money is available to do it. The plans will be presented to the Board.

I. ADMINISTRATION / GOVERNMENT RELATIONS:

Director Jackson made a motion, seconded by Director Calvo to dissolve Administration/ Government Relations committee and appoint Director Judith Guthertz as the Board of Directors liaison with the Guam Legislature.

Motion approved.

Background:

In January 2013, the Board of Directors appointed Director Judith Guthertz as the chairperson of the Administration / Government Relations committee. At the recommendation of Director Guthertz, a liaison role would serve just as effective as a whole committee.

Issue:

Board approval required as they have the power to prescribe the manner in which each committee shall be conducted.

- Director Guthertz explained that the management & staff do a great job in terms of accountability by reporting to both the Treasurer and the Board during the general meetings.
- Director Guthertz stressed the importance of the Board coming up with a position in regards to the TAF and how it's spent by the Legislature. Almost

\$2 million was passed to appropriate funds for the GCC apprenticeship program and there wasn't too much sympathy on the Legislative floor in terms of GVB's concerns.

J. CULTURAL HERITAGE & COMMUNITY OUTREACH (CHaCO)

Exhibit F

Guam Chamorro Dance Academy

Director Hofmann made a motion, seconded by Director Guthertz to approve travel for the Guam Chamorro Dance Academy program. (Estimated cost: \$16,876.00 Account No. CPO001).

Motion approved.

Background:

This marks the 4th year of the continuation of the Guam Chamorro Dance Academy within Japan. Last fiscal year, five classes were taught with a total of 475 students, including dance instructors who in turn bring lessons to their dance studios.

Three dance instructors will be sent along with one GVB staff to run the program.

Dates of the classes are as follows:

August 3 - 4, 2013 (Fukuoka)

September 13-14, 2013 (Tokyo)

Breakdown is as follows:

Airfare:		4 pax @ \$800.00 per air ticket x 2 trips		\$6,400.00
Professional Fee		3 pax x 2 days x \$100.00 x 2 trips		\$ 1,200.00
City	Per Diem	Days	Pax	
Fukuoka	\$361	3	4	\$4,332.00
Tokyo	\$412	3	4	\$4,944.00
TOTAL:				\$16,876.00

Issue:

Board approval required for all travel

- Discussion was brought up about the success of this dance academy. Director Hofmann reported that there are about 475 students currently enrolled with two (2) Guma's teaching the class. DGM Denight explained that the goal is to create the demand in Japan.

K. GREATER CHINA:

- Vice Chairman Kloppenburg reported that the immigration bill was passed through the Senate but there is talk in the house about revisiting the issue because of the Edward Snowden issue. He believes it may be pushed back another 6 months.
- Vice Chairman reported that IFCOT was a success.

L. JAPAN MARKET:

- Director Nakajima reported that the JMC meeting was postponed last week.
- Director Nakajima reported that JGTA has started discussions about the campaign for next April, May and June.
- Director Nakajima reported that the Hafa Adai Study is this weekend.

❖ OLD BUSINESS

- Director Hofmann asked about the Charter flights and the Airport's processing time in which GM Pangelinan answered that it is not a huge issue and that the carriers (most especially the big ones) are well aware of the 72 hours notice and will not do anything outside of the 72 hours. He added that he met with CBT and has been assured that this has been on the books for years and it's not a huge deterrent to the charter business.

❖ NEW BUSINESS

- Director Hofmann asked if there are any liberators that will be coming out. He shared that they've received inquiries from four (4) and they are asking for some assistance. Vice Chairman Kloppenburg stated that we shouldn't hesitate to do this and it is something that GVB should stand behind as this will not be going on forever.

❖ EXECUTIVE SESSION

❖ ANNOUNCEMENTS

- Vice Chairman Kloppenburg asked for a moment of silence on the passing of the late David Tuncap who served as Chairman of the Board.
- Quarterly Membership meeting
 - Friday - June 28
 - 11:30am - 1:00pm
 - Nikko Hotel
- Hafa Adai Study Tour Reception
 - Friday - June 28
 - 6:30pm - 8:45pm
 - Hyatt - Seaside Deck
- Maila Ta Fan Chesa
 - Friday - June 28
 - 6:30pm - 10:00pm
 - Sheraton

- Liberation Carnival
 - Tiyan



ADJOURNMENT:

Motion made by Vice Chairman Kloppenburg, seconded by Director Calvo to adjourn the meeting. Meeting adjourned at 4:52 p.m.

Motion approved.

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

Board Minutes prepared by Meriza Peredo, Executive Secretary

❖ Action Items 6/13/13:

- MEMBERSHIP:
- JAPAN:
- DM:
 - Director Kloppenburg will make recommendations of how to enforce and set up a meeting with weights & measures regarding bus emissions / enforcement (5/9)
- KMC
- GREATER CHINA
 - Chairman Baldyga suggested looking into increasing GVB's presence at IFCOT and analyze the cost of the event if we wanted to step it up in the future. (5/23)
- RUSSIA AND NEW MARKETS
 - Set up Medical Tourism task force
 - Director Jackson requested that staff look into what kind of assistance GVB had given in the past to encourage new airlines as he doesn't want to set a new precedence. (5/23)
- NAP:
- ADMINISTRATION / GOVERNMENT RELATIONS:
 - Planning and packaging for hotel investment conference in October (5/23)
- SPORTS & EVENTS:
- DESTINATION MANAGEMENT:
 - Director Hofmann will send out the schedule of memorials for the month of Liberation.