REGULAR BOARD MEETING
GVB MAIN CONFERENCE ROOM - 4:00PM
THURSDAY; July 10, 2014

BOARD of DIRECTORS PRESENT:
Chairman Baldyga
Judith Guthertz
Eduardo “Champ” Calvo
Milton Morinaga
Robert Hofmann
Jennifer Camacho

Vice Chairman Kloppenburg
Bartley Jackson
Oscar Miyashita
Norio Nakajima
Nathan Taimanglo
Annmarie Muna

BOARD of DIRECTORS TELEPHONICALLY:

BOARD of DIRECTORS ABSENT:
Theresa Arriola

GVB MANAGEMENT & STAFF PRESENT:
Karl Pangelinan
Colleen Cabedo
Felix Reyes
Brian Borja
Elaine Pangelinan
Laurette Perez

Pilar Laguana
Nadine Leon Guerrero
Ana Cid
Dee Hernandez
Nakisha Onedera
Mark Manglona

Joshua Tyquiengco
Kraig Camacho
Regina Nedlic
June Sugawara
Gina Kono

GUESTS:
Victor Chung - GVB Marketing Intern

Proceedings:
Chairman Baldyga called the regular meeting of the board to order at 4:08 p.m.

Approval of previous board minutes dated June 12, 2014. Exhibit A

Motion made by Director Guthertz, seconded by Vice Chairman Kloppenburg, to approve the minutes of June 12, 2014.

Motion approved (subject to correction).
- She reported that those interviews are making their way into publications and stories in magazines, newspapers, and more. She mentioned that there are a lot of positive things that are coming out from China. Some key factors that the media had mentioned about Guam are its pristine environment and fabulous shopping. She illustrated many of the media felt a sense of relaxation and clarity when they first stepped out of the airport. She also described that the media was very impressed with the value and variety they were getting for luxury goods. She mentioned that she had asked the media how much value they were getting and they reported back to her by saying around 40-50%.

- She went on to report that tourism industry relations would need more support. She mentioned to the board that she already had a meeting with ground tour operators and will discuss with Director Jackson on further addressing those issues to improve service levels.

- She said it ultimately comes down to preparedness. General Manager Pangelinan added by saying that we should be involved with more China symposiums, roundtables, workshops, and more.

- Ms. Laguna addressed the need to support more in the travel agents. She discussed with the board that the travel agents feel that they are taking a huge risk, especially this being a start-up.

- She also addressed that there is an increasing problem with visas being refused/rejected. She had mentioned that she had written to the U.S. Commercial Service, concerning this issue and is waiting a response.

- She answered a question on the visa process timeline by saying that it depends on the season, but would take as early as 3 and as long as 7 days.

- As Ms. Laguna wrapped up her report, Chairman Baldyga and the rest of the board recognized her and the rest of the China Marketing Staff, for a job well done.

➤ The board discussed different ways to differentiate Guam from other destinations, specifically Hawaii. They talked about possibly having a daily air quality measurement on our website, the possibility of promoting packages for fewer days, among others.

❖ General Manager’s Report:

Budget Work Sheets

➤ General Manager Pangelinan directed the board to Exhibit E, which GVB had made comments to the JGPO office in regards to the visa waivers. Thanked Chairman Baldyga for taking the lead on the letter and was very proud of how it turned out.

➤ Mentioned on Friday, July 11, 2014 at 10:00 a.m., there would be a hearing for 14 TAF Bills, mostly regarding FestPac. The board had looked over the copy of the testimony.
The board suggested sending out a press release on the TAF, indicating that although GVB supports those appropriations, we need to seek more funding to make up for those tourism dollars.

**TAF FY2015**
- About 600 rooms available with opening of Divul Thani Guam Resort and Lotte Hotel Guam.
- 7% increase in rooms expected during FY15
- TAF projections could rise past $34M
- $32M is conservative

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**GVB BUDGET SUMMARY**

<table>
<thead>
<tr>
<th></th>
<th>FY 2014 Budget</th>
<th>FY 2015 Budget</th>
<th>FY 2015 Request</th>
<th>% Diff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>$5,172,000</td>
<td>$6,175,000</td>
<td>$6,275,000</td>
<td>2%</td>
</tr>
<tr>
<td>Marketing</td>
<td>$10,384,000</td>
<td>$12,540,000</td>
<td>$12,800,000</td>
<td>15.2%</td>
</tr>
<tr>
<td>Meeting Promotion</td>
<td>$2,030,000</td>
<td>$2,000,000</td>
<td>$2,000,000</td>
<td>-0.4%</td>
</tr>
<tr>
<td>Research</td>
<td>$1,035,000</td>
<td>$1,020,000</td>
<td>$1,020,000</td>
<td>1.6%</td>
</tr>
<tr>
<td>Destination Develop</td>
<td>$1,750,000</td>
<td>$1,750,000</td>
<td>$1,750,000</td>
<td>-0.4%</td>
</tr>
<tr>
<td>&quot;AF&quot; Special Projects - Destination Maintenance</td>
<td>$1,500,000</td>
<td>$2,020,000</td>
<td>$2,000,000</td>
<td>2%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$21,459,000</td>
<td>$25,642,000</td>
<td>$26,452,000</td>
<td>38.9%</td>
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</tbody>
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**GVB BUDGET - ADMINISTRATION**

<table>
<thead>
<tr>
<th></th>
<th>FY 2014 Budget</th>
<th>FY 2015 Budget Request</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL ADMINISTRATION</td>
<td>$2,911,000</td>
<td>$3,021,000</td>
</tr>
</tbody>
</table>

- Increase of $100,000 over FY2014
- Additional personnel costs due to increments, merit bonuses, Medicare contributions, and health insurance benefits.
- Increase in power and water costs

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**GVB BUDGET - MARKETING**

<table>
<thead>
<tr>
<th></th>
<th>FY 2014</th>
<th>FY 2015 Budget Request</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL MARKETING</td>
<td>$13,956,000</td>
<td>$15,800,420</td>
</tr>
</tbody>
</table>

- FY2014 Forecast: 1,153,000 Visits
- FY2014 Forecast: 1,437 Million
- Focus on Japan
  - $1.9M budget increase to $7M
  - PYS Goal: 300,000 pax
  - Conduct low season promotions targeting family and group
  - Continue working with JTC to improve yield
  - Increase share of voice from -5% to -3% with OOH and TV advertising

- Certified Growth in Korea
  - $600K budget increase to $1.4M
  - PYS Goal: 200,000 pax
  - Total brand awareness through marketing campaigns
  - Addtional Air Traffic and Destinations

- Diversity: Asia
  - China budget decreases by $325,000 to $34M
  - China Goal: 220,000 pax
  - Increase direct air service
  - Comprehensively enhance Chinese travelers' awareness of Guam through travel trade, brochure distribution campaigns, exhibitors, and sales incentive programs.
  - Joint promotion with TAE and HCE companies

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**GVB BUDGET - MARKETING**

<table>
<thead>
<tr>
<th></th>
<th>FY 2014</th>
<th>FY 2015 Budget Request</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL MARKETING</td>
<td>$10,636,000</td>
<td>$12,000,000</td>
</tr>
</tbody>
</table>

- Diversity: Asia
  - China budget decreases by $325,000 to $34M
  - China Goal: 220,000 pax
  - Increase direct air service
  - Comprehensively enhance Chinese travelers' awareness of Guam through travel trade, brochure distribution campaigns, exhibitors, and sales incentive programs.
  - Joint promotion with TAE and HCE companies

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GUAM VISITORS BUREAU | SETSIBUN JISIIM GUAMAN
401 Paseo San Vitores Road | Tumon, Guam 96913 | (671) 646-6278 | www.visitguam.org
The board agreed to set a working session to have time to discuss the budgets in more detail next week Thursday, July 17, 2014 at 4:00pm.

Treasurer's Report: (O. Miyashita)

Cash Position Report:
Cash report as of July 7, 2014.
Total cash in banks report (as of 7/7/14) $13,110,918.08
Total allotment received to date: $11,822,547.55
Accounts Receivable FY2014: $6,439,586.45
Accounts Payable to Date: $4,958,637.32

- Director Miyashita reported that there is a reduction in cash from last year.
- Also reported that we are behind in collecting allotments. We should be expecting another $1 million in the next week or so. Would hope to have a better report by next board meeting.
- Chairman Baldya asked General Manager Pangelinan about the story in the newspaper on how we didn't respond to a FOIA request on time. General Manager Pangelinan
Breakdown is as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Total</th>
</tr>
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<tbody>
<tr>
<td>Airfare (1 pax)</td>
<td>$755.00</td>
</tr>
<tr>
<td>Per Diem - GVB Japan Staff $62.5 x 4 nights x 1 pax</td>
<td>$250.00</td>
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<tr>
<td>Round transportation to airport in Japan x 1 pax</td>
<td>$94.00</td>
</tr>
<tr>
<td>Lodging $175.00 x 4 nights</td>
<td>$700.00</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$1,799.00</strong></td>
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</tbody>
</table>

Issue: Board approval required for all travel

Vice Chairman Kloppenburg made a motion, seconded by Director Guthertz, to ratify Executive Committee’s approval for the authorization of the General Manager as Chief Procurement Officer of the Bureau to negotiate and enter into a contract with the highest rated responsive offeror of GVB RFP 2014-003, Visitor Safety Officers Project.

Motion Approved.

**Background:** The Guam Visitors Bureau (GVB) has a vested interest in protecting and ensuring the safety and security of all visitors and the local community. There has been a rise in crimes against tourists in Tumon, which threatens Guam’s image as a safe, family-friendly destination. Negative impacts to Guam’s number one industry would have devastating effects on the local economy and lead to a loss of jobs and Government tax revenue.

In response to this, GVB will be launching the Visitor Safety Officer Pilot Program. The Bureau will contract Visitor Safety Officers (VSO) to patrol the Tumon area, both roadside and beachside. VSOs will serve dual roles as both a security guard and tour guide, able to respond to safety and security incidents and provide basic visitor information such as directions.

Issue: Board approval required.

Vice Chairman Kloppenburg made a motion, seconded by Director Jackson, to ratify Executive Committee’s approval for the travel of CHaCO Chairwoman Theresa Arriola, one CHaCO staff, Master Frank Rabon and 2 assistants to attend the US-Guam Chamorro Dance Academy in Seattle, Washington from August 14 - 19, 2014. (Estimated cost up to $20,076.50, Acct No. DM-CPO006).

Motion Approved.

**Background:** The US-Guam Chamorro Dance Academy workshop was launched in March of this year in California with 75 participants. The Bureau will be continuing to work closely with the various active stateside Chamorro dance groups that are in need of more training to be qualified for FestPac 2016. During the workshops, the CHaCO Chairwoman will be giving an update on FestPac 2016.
<table>
<thead>
<tr>
<th>Delegation</th>
<th>Per diem</th>
<th>Days</th>
<th>Airfare</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>Milton Morinaga</td>
<td>$510.00</td>
<td>5</td>
<td>$2,550.00</td>
<td>$3,500.00</td>
</tr>
<tr>
<td>Jon Nathan Denight</td>
<td>$510.00</td>
<td>5</td>
<td>$2,550.00</td>
<td>$3,500.00</td>
</tr>
<tr>
<td>Miss Guam</td>
<td>$408.00</td>
<td>3</td>
<td>$1,224.00</td>
<td>$2,174.00</td>
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<tr>
<td>Nadine Leon Guerrero</td>
<td>$408.00</td>
<td>3</td>
<td>$1,224.00</td>
<td>$2,174.00</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td></td>
<td>$11,348.00</td>
</tr>
</tbody>
</table>

B. **ADMINISTRATION & GOVT RELATIONS (J. Guthertz)**

➢ TAF appropriations were discussed during the GM's report.

C. **MILITARY BUILD-UP & SEIS (B. Kloppenburg)**

GVB's Final Comments to Draft SEIS

➢ Exhibit E was discussed in GM's report.

D. **RESEARCH (N. Taimanglo)**

➢ Nothing to report.

E. **JAPAN MARKETING (M. Morinaga / N. Nakajima)**

Committee Minutes dated June 18, 2014

➢ Chairman Baldyga asked for feedback on the $400,000.00 spent for additional advertisements in Japan (i.e. subway ads). MO2 Nadine Leon Guerrero replied by saying that there is an impact, but will now move with July figures.

➢ Vice Chairman Kloppenburg asked if there would be any increase in outboard with the typhoon in Okinawa. Director Nakajima replied by saying that it shouldn't have any affect.

F. **KOREA MARKETING (O. Miyashita)**

Committee Minutes dated June 17, 2014

➢ Director Miyashita reported that Korean Air had announced 4 extra flights a week from July 26-August 27.

➢ Jin Air announced that they would upgrade to Boeing 777 by December 2014.

➢ Jin Air announced possible flights from Daegu to Guam by end of the year. (3rd largest city in Korea; with 2.5 million people)
Background:
VisitUSA China: Wuhan Road Show is a VisitUSA China event offering great learning, media exposure and business development opportunities for Committee members. Member travel suppliers, destinations and CVBs will train client-facing staff from leading agencies on your products, and hold face to face matchmaking meetings with the Chinese travel agents, tour operators and media. VisitUSA China: Wuhan Road Show is an event of unique scope and importance in the outbound Chinese travel industry to the USA, presenting excellent networking and prime business opportunities with an eager and welcoming Chinese audience made up of travel trade. It is important for GVB to participate in this roadshow as a US consulate with the ability to process Chinese visas, which has opened in this region.

GVB shall conduct important business meetings in Beijing with media from Guam familiarization tours as well as with airline and travel trade partners. In addition GVB needs to conduct face-to-face meetings with Beijing media buyers to ensure that ad placements are in line with GVB's strategic goals as well as to ensure that cost efficiency of media buys.

Issue:
Board approval for travel required.

- Next Greater China Committee Meeting would be Friday, July 11 at 11:00 a.m.

I. RUSSIA & NEW MARKETS (B. Jackson)

➢ Director Jackson reported that the individual that was incarcerated for credit card fraud was not on Guam at the time. The Russian individual was brought to Guam from the Maldives and arrested here on U.S. soil.

J. DESTINATION MANAGEMENT (R. Hofmann)
Committee Minutes dated June 24, 2014

➢ Director Hofmann reported that fire hydrants have been painted.

➢ Mentioned that anyone wants to know more, the minutes from the previous committee meeting are attached.

K. CULTURAL HERITAGE & COMMUNITY OUTREACH (T. Arriola)

➢ Nothing to report.

L. SPORTS & EVENTS (N. Taimanglo / J. Camacho)
Committee Minutes dated June 25, 2014

➢ Director Camacho reported that the their meeting minutes are included in the board packet. They are working on a financial and economic impact report for the board regarding the breakdown of the Guam Live and Guam BBQ Block Party.
ADJOURNMENT

Director Calvo made a motion, seconded by Director Hofmann, to adjourn the meeting. Meeting adjourned at 5:10pm.

Motion Approved.

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

Board Minutes respectively submitted by Colleen Cabedo, Executive Secretary

Action Items:

BY MANAGEMENT

- Management to consider a revised China incentive program and to provide a recommendation to the board (4/10/14).

- Chairman Baldyga mentioned that he would like to set meetings with GVB management and senators regarding the Tourism 2020 plan and 2015 budgets (4/10/14 and 2/27/14).

- Chairman Baldyga asked management to create a Destination Management Task List with quarterly goals (4/10/14).

- Chairman would like to have an update on the Tumon Flooding Mediation Plan and all capital projects. (2/27/14)

- Chairman Baldyga requested to create an online community calendar or to create a new page for a community events calendar in the GVB website. (5/8/2014)

- Chairman Baldyga requested the Task Management create a message to deliver to the media before June 9. (5/8/14)

- General Manager Pangelinan to come up with a plan and budget to improve the welcoming experience at the airport. (7/10/14)
## CASH, RECEIVABLES, & PAYABLES POSITION
### FY 2013 & FY 2014 COMPARATIVE REPORT

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>CITIBANK OPERATION</td>
<td>$428,401.28</td>
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<tr>
<td>BANK OF GUAM</td>
<td>$10,301,047.47</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FIRST HAWAIIAN BANK - Membership</td>
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<tr>
<td>RESONA BANK</td>
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<tr>
<td>CITIBANK - TAF</td>
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<td>BOG - TAF ACCOUNT</td>
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<tr>
<td>BOG - RAINY DAY FUND</td>
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<tr>
<td>BOG - FESTPAC Trust Account</td>
<td>$923,364.95</td>
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<td></td>
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<tr>
<td>MORGAN STANLEY - CD **</td>
<td>$2,505,101.24</td>
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<td></td>
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</tr>
<tr>
<td>BOG - 2/12 Memorial Fund</td>
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<td></td>
</tr>
<tr>
<td><strong>TOTAL CASH IN BANKS AS OF 07/23/2013</strong></td>
<td><strong>$17,091,023.73</strong></td>
<td><strong>TOTAL CASH IN BANKS AS OF 07/22/2014</strong></td>
<td><strong>$12,979,361.41</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Morgan Stanley CD Market value as of 06/30/13 (value if withdrawn prior to maturity - Maturity Date October 2013)**

### FY 2013 BUDGET P.L. 31-233

<table>
<thead>
<tr>
<th></th>
<th>$16,018,239.00</th>
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</thead>
<tbody>
<tr>
<td>GVB - $15,238,239.00</td>
<td></td>
</tr>
<tr>
<td>OPERATIONS - $14,022,384.00</td>
<td></td>
</tr>
<tr>
<td>TAF Special Projects - $12,155,855.00</td>
<td></td>
</tr>
<tr>
<td>PASS THRU APPROPRIATIONS - $780,000.00</td>
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### FY 2014 BUDGET P.L. 32-068

<table>
<thead>
<tr>
<th></th>
<th>$18,262,134.00</th>
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</thead>
<tbody>
<tr>
<td>OPERATIONS - $15,487,134.00</td>
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<tr>
<td>TAF Special Projects - $2,000,000.00</td>
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</tr>
<tr>
<td>PASS THRU APPROPRIATIONS - $775,000.00</td>
<td></td>
</tr>
</tbody>
</table>

### OPERATIONS TAF Special Projects Pass-thru

<table>
<thead>
<tr>
<th>Date</th>
<th>Amount</th>
<th>Amount</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>11/15/13</td>
<td>$1,420,199.55</td>
<td>$121,585.00</td>
<td>$55,253.00</td>
</tr>
<tr>
<td>12/15/13</td>
<td>$1,362,725.00</td>
<td>$121,585.00</td>
<td>$55,253.00</td>
</tr>
<tr>
<td>01/15/13</td>
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<td>$121,585.00</td>
<td>$19,834.00</td>
</tr>
<tr>
<td>02/14/13</td>
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<td>$9.00</td>
</tr>
<tr>
<td>03/13/13</td>
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<td>$121,585.00</td>
<td>$55,253.00</td>
</tr>
<tr>
<td>04/15/13</td>
<td>$1,891,749.00</td>
<td>$121,585.00</td>
<td>$55,253.00</td>
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<tr>
<td>05/17/13</td>
<td>$1,203,725.00</td>
<td>$121,585.00</td>
<td>$19,834.00</td>
</tr>
<tr>
<td>06/12/13</td>
<td>$2,060,595.00</td>
<td>$121,585.00</td>
<td>$7,756.00</td>
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<tr>
<td>06/19/13</td>
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<td>$142,893.30</td>
<td>$140,552.00</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$12,401,079.55</strong></td>
<td><strong>$1,115,871.30</strong></td>
<td><strong>$796,030.00</strong></td>
</tr>
</tbody>
</table>

**Total Allotment Received to Date:**

| Amount     | $14,072,682.85 | $1,945,596.05 |

**Accounts Receivable FY 2013**

### FY 2013 ACCOUNTS PAYABLE as of 07/23/13

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asauuu Invoices Dec22 - May13</td>
<td>$1,443,027.75</td>
</tr>
<tr>
<td>Japanese Invoices</td>
<td>$53,671.00</td>
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<tr>
<td>Guam Miscellaneous Invoices</td>
<td>$626,353.12</td>
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<tr>
<td>FY 2012/2012 Pass-thru appropriations</td>
<td>$554,641.24</td>
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<tr>
<td>FY 2013 Pass-thru appropriations</td>
<td>$91,583.00</td>
</tr>
<tr>
<td>Encumbered Contracts (not yet incurred)</td>
<td>$1,532,306.50</td>
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<tr>
<td>Encumbered Purchase Orders (not yet incurred)</td>
<td>$51,348.07</td>
</tr>
<tr>
<td>FESTPAC Trust Account</td>
<td>$923,364.95</td>
</tr>
</tbody>
</table>

**Total Payables to date:**

| Amount     | $5,319,096.12 |

### FY 2014 ACCOUNTS PAYABLE as of 07/22/14

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asauuu Invoices June 2014</td>
<td>$1,089,110.57</td>
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<tr>
<td>Japanese Invoices</td>
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<td>Guam Miscellaneous Invoices</td>
<td>$754,046.16</td>
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<tr>
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<td>FESTPAC Trust Account</td>
<td>$1,501,359.65</td>
</tr>
</tbody>
</table>

**Total Payables to Date:**

| Amount     | $6,230,498.75 |

**Total FY 2014 Allotment Received to Date:**

| Amount     | $3,822,547.55 |

**Accounts Receivable FY 2014**
## Comparative Statements of Revenues & Expenses
### June 2014, June 2013, & YTD

<table>
<thead>
<tr>
<th>OPERATIONS</th>
<th>June 2014 Actual</th>
<th>June 2013 Actual</th>
<th>YTD as of June 2014</th>
<th>FY 2013 as of June 2013</th>
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</thead>
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<tr>
<td>Revenue</td>
<td>1,796,535.00</td>
<td>2,075,162.00</td>
<td>10,168,297.55</td>
<td>11,554,273.55</td>
</tr>
<tr>
<td>GovGuam Allotments</td>
<td>1,796,535.00</td>
<td>2,075,162.00</td>
<td>10,168,297.55</td>
<td>11,554,273.55</td>
</tr>
<tr>
<td>GovGuam Allotments - Pass-thru</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Federal</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>77,785.00</td>
</tr>
<tr>
<td>Membership NOTE 1</td>
<td>0.00</td>
<td>1,000.00</td>
<td>35,700.00</td>
<td>68,000.00</td>
</tr>
<tr>
<td>Interest Income</td>
<td>987.14</td>
<td>1,335.56</td>
<td>10,748.42</td>
<td>11,062.42</td>
</tr>
<tr>
<td>Foreign Exchange Gain/Loss</td>
<td>(263.40)</td>
<td>(789.71)</td>
<td>(54,319.54)</td>
<td>6,090.93</td>
</tr>
<tr>
<td>CD Morgan Stanley Gain/Loss</td>
<td>948.40</td>
<td>187.35</td>
<td>1,641.46</td>
<td>5,151.24</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>16,537.59</td>
<td>32,273.87</td>
<td>201,368.59</td>
<td>366,431.56</td>
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<tr>
<td>Consumption Tax</td>
<td>18,932.21</td>
<td>0.00</td>
<td>189,173.78</td>
<td>76,216.28</td>
</tr>
<tr>
<td>In-Kind Contributions</td>
<td>1,484.40</td>
<td>0.00</td>
<td>37,046.50</td>
<td>78,682.49</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>1,256,548.34</td>
<td>2,208,568.51</td>
<td>11,298,060.10</td>
<td>12,460,000.99</td>
</tr>
</tbody>
</table>

### SPECIAL PROJECTS
### June 2014 Actual | June 2013 Actual | YTD as of June 2014 | FY 2013 as of June 2013
### Revenue
GovGuam Allotments          | 150,000.00       | 121,585.00       | 1,532,378.00        | 972,680.00             |
Interest Income             | 987.14           | 1,335.56         | 10,748.42           | 11,062.42              |
Miscellaneous NOTE 5        | 0.00             | 1,000.00         | 35,700.00           | 68,000.00              |
Total Revenue               | 26,510.10        | 121,585.00       | 1,532,378.00        | 972,680.00             |

### Operational Expenses
Utilities                   | 7,478.88         | 5,782.55         | 37,861.09           | 32,993.35              |
Professional Services       | 7,322.50         | 6,250.00         | 60,656.50           | 50,000.00              |
Contractual Services NOTE 5 | 198,450.64       | 37,046.50        | 865,903.61          | 576,268.30             |
Advertising & Printing      | 0.00             | 0.00             | 0.00                | 0.00                   |
Miscellaneous               | 0.80             | 0.50             | 12.15               | 5.50                   |
Total Operational Expenses  | 173,312.72       | 49,060.07        | 954,445.65          | 656,266.20             |

### Change in Net Assets
$7,478.88                     | $7,256.73        | $83,829.75       | $66,516.46          |

### Notes:
- **NOTE 1**: Decrease in Membership Revenue is due to FY 2013 being an election year.
- **NOTE 2**: Increase in Personnel due to new positions filled, increase in benefits for both active employees and retirees.
- **NOTE 3**: Increase in Materials & Supplies due to promotional materials purchased.
- **NOTE 4**: Increase in Equipment purchased and equipment purchased for GPD.
- **NOTE 5**: Increase due to GEDC QG funding for Special Projects.
### Comparative Balance Sheet
June 30, 2014 & 2013

#### OPERATIONS

<table>
<thead>
<tr>
<th>Assets</th>
<th>June 30, 2014</th>
<th>June 30, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash &amp; Cash Equivalents</td>
<td>12,706,704.10</td>
<td>15,519,712.37</td>
</tr>
<tr>
<td>Accounts Receivable - Appropriations</td>
<td>5,789,586.45</td>
<td>3,856,259.45</td>
</tr>
<tr>
<td>Accounts Receivable - Other</td>
<td>127,445.90</td>
<td>141,968.35</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>18,623,736.45</td>
<td>19,517,940.17</td>
</tr>
<tr>
<td>Long-term Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property &amp; Equipment</td>
<td>6,832,693.48</td>
<td>6,916,026.76</td>
</tr>
<tr>
<td><strong>Total Long-term Assets</strong></td>
<td>6,832,693.48</td>
<td>6,916,026.76</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>25,456,429.93</td>
<td>26,433,966.93</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>198,007.77</td>
<td>61,317.58</td>
</tr>
<tr>
<td>Accounts Payable - Pass-thru entities</td>
<td>292,842.24</td>
<td>558,442.27</td>
</tr>
<tr>
<td>Deferred Revenue - Appropriations</td>
<td>5,789,586.45</td>
<td>3,856,259.45</td>
</tr>
<tr>
<td>Deferred Revenue - Membership</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>6,280,436.46</td>
<td>4,476,019.30</td>
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<tr>
<td>Long-Term Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unfunded Pension Cost</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Accrued Sick Leave</td>
<td>148,444.06</td>
<td>141,766.07</td>
</tr>
<tr>
<td>Accrued Annual Leave</td>
<td>123,646.07</td>
<td>104,915.14</td>
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<tr>
<td><strong>Total Long-Term Liabilities</strong></td>
<td>272,094.13</td>
<td>246,681.21</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>6,552,530.59</td>
<td>4,722,700.51</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Net Assets</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Net Assets</td>
<td>17,564,478.21</td>
<td>16,996,428.32</td>
</tr>
<tr>
<td>Change in Net Assets</td>
<td>1,339,421.13</td>
<td>4,714,838.10</td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td>18,903,899.34</td>
<td>21,711,266.42</td>
</tr>
<tr>
<td><strong>Total Liabilities and Net Assets</strong></td>
<td>25,456,429.93</td>
<td>26,433,966.93</td>
</tr>
</tbody>
</table>

#### SPECIAL PROJECTS

<table>
<thead>
<tr>
<th>Assets</th>
<th>June 30, 2014</th>
<th>June 30, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash &amp; Cash Equivalents</td>
<td>1,026,665.74</td>
<td>747,967.12</td>
</tr>
<tr>
<td>Accounts Receivable - Appropriations</td>
<td>800,000.00</td>
<td>243,175.00</td>
</tr>
<tr>
<td>Accounts Receivable - Other</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>1,826,665.74</td>
<td>991,142.12</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>1,826,665.74</td>
<td>991,142.12</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Deferred Revenue</td>
<td>650,000.00</td>
<td>243,175.00</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>650,000.00</td>
<td>243,175.00</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>650,000.00</td>
<td>243,175.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Assets</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Net Assets</td>
<td>342,836.99</td>
<td>378,648.66</td>
</tr>
<tr>
<td>Change in Net Assets</td>
<td>833,928.75</td>
<td>369,518.46</td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td>1,176,665.74</td>
<td>747,967.12</td>
</tr>
<tr>
<td><strong>Total Liabilities and Net Assets</strong></td>
<td>1,826,665.74</td>
<td>991,142.12</td>
</tr>
</tbody>
</table>
KOREA MARKETS COMMITTEE MEETING MINUTES
Tuesday, July 15, 2014, 11:00 a.m.
GVB Main Conference Room

Members Present:
Oscar Miyashita, Ernst & Young
Tae Oh, Sandcastle, Inc.
Janeen Kang, Underwater World & Sea Grill
Hyong Yi, Outrigger Guam Resort
Terry Chung, DFS Guam
Suzie Kim, Hilton Guam Resort & Spa
Cris Gamboa, Onward Guam Resort
Aaron Kim, Net Ent.
Young Min Kim, Pacific Islands Club
Elisha Lee, Lotte Hotel Guam
Eric Ji, Sheraton Laguna Guam
Yungjin Kong, HIT
Dongsin Choi, Speed Travel Way
Seonguk Jo, Leo Palace Resort

Members Absent:
Tak Takano, Pleasure Island Guam
Bartley Jackson, Hotel Santa Fe
Ken Yanagisawa, Pacific Islands Club
Cathleen Moore-Linn, University of Guam
Jace Kim, Jeju Air
Theresa Crucena, Royal Orchid Guam
Jennifer Chae, Hotel Nikko Guam
Mr. Sung-Hwan Wang, KTB
Man-soo Hyun, Hyatt Regency Guam
Rolenda Faasualonie, Guam International Airport Authority
Jeremy Jung, Hana Tour
Hugh Shin, Korean Air
Sam H. Kim, Hana Tour
Jong Bok Lee, JIN Air
Jae Hong Lim, Mode Tour Network
Jenny Cheon, Holiday Resort & Spa Guam

Guests/Alternate Members Present:

GVB Korea GSA Present (Telephonically):
Henry Lee, TLK Korea

GVB Korea PR Present (Telephonically):
Adele Kim, Promac Partnership

GVB Staff:
Karl A. Pangelinan, General Manager
Pilar Laguana, Marketing Manager
Felix Reyes, Marketing Officer II
Victor Chung, Intern
CALL TO ORDER
General Manager Karl A. Pangellenan called the meeting to order at 11:04 a.m.

MINUTES OF THE PREVIOUS MINUTES
Motion to approve the minutes of the June 16, 2014 KMC Minutes was made by Mr. Tae Oh and was seconded by Mr. Aaron Kim. Minutes were approved subject to any minor corrections.

REPORT OF CHAIRMAN

REPORT OF MANAGEMENT
Mr. Pangellenan welcomed everyone and thanked all for attending the meeting.

Mr. Pangellenan reviewed the arrivals update data for CY and FY YTD. MTD arrivals from Korea for June was at +33.7% over LY, same period. FY YTD is at 28.9%. Other markets like Russia and China show slight increases as well. Japan is showing a -7.8% for June. Challenges remain in Japan due to the sluggish economy. He thanks those in the KMC for their hard work in keeping Korea numbers high.

Mr. Pangellenan said he had spent some time in Busan just last week and felt this secondary city was very nice. He also mentioned United has officially announced direct daily flights from Incheon to Guam starting October 27, 2014. United has been out of the Korea market for a number of years.

Lotte Hotel had their grand opening and brings another 200+ rooms to the inventory.

KOREA - Korea Marketing News

3 month Forecast

<table>
<thead>
<tr>
<th>Month</th>
<th>Forecast Pax</th>
<th>Last Year</th>
<th>%Change</th>
<th>Seat Forecast ’14</th>
<th>Seat Date ’13</th>
<th>% Change Seats</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>27,000</td>
<td>22,066</td>
<td>22.7%</td>
<td>31,214</td>
<td>22,297</td>
<td>40.6%</td>
</tr>
<tr>
<td>August</td>
<td>28,000</td>
<td>23,145</td>
<td>21.6%</td>
<td>32,807</td>
<td>27,051</td>
<td>21.3%</td>
</tr>
<tr>
<td>September</td>
<td>24,000</td>
<td>19,686</td>
<td>21.9%</td>
<td>30,043</td>
<td>22,988</td>
<td>30.7%</td>
</tr>
</tbody>
</table>

Slight

<table>
<thead>
<tr>
<th>Month</th>
<th>Forecast Pax</th>
<th>Last Year</th>
<th>%Change</th>
<th>Seat Forecast ’14</th>
<th>Seat Date ’13</th>
<th>% Change Seats</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>7,000 (8749-400)</td>
<td>3,000 (8737-400)</td>
<td>-53%</td>
<td>9,000 (8749-400)</td>
<td>6,000 (8737-400)</td>
<td>-58%</td>
</tr>
<tr>
<td>August</td>
<td>8,000 (8749-400)</td>
<td>4,000 (8737-400)</td>
<td>-50%</td>
<td>10,000 (8749-400)</td>
<td>6,000 (8737-400)</td>
<td>-83%</td>
</tr>
<tr>
<td>September</td>
<td>3,000 (8749-400)</td>
<td>1,000 (8737-400)</td>
<td>-66%</td>
<td>5,000 (8749-400)</td>
<td>1,000 (8737-400)</td>
<td>-80%</td>
</tr>
</tbody>
</table>

Mr. Henry Lee briefed the committee on the details of the 3-month forecast for July – September.
The storm that passed by Guam last week delayed some Korean flights but there were no cancellations.

He said Korea continues to reflect double-digit increases for these three months over last year.

About 1,000 U.S. military members are coming in September so rooms may become an issue.

KE Extra flights (4X/week) is helping with LF and seat capacity.

---

KOREA - Korea Marketing News

**Korea Outbound Travelers**

<table>
<thead>
<tr>
<th></th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Guam Market Share</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>KOutbound</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Guam Arrival</td>
<td>1,260,407</td>
<td>1,018,616</td>
<td>1,246,650</td>
<td>1,037,607</td>
<td>1,040,407</td>
<td>1,043,221</td>
<td>1,040,387</td>
<td>1,043,917</td>
<td>1,040,606</td>
<td>1,043,221</td>
<td>1,043,917</td>
<td>1,040,606</td>
<td>15,005,802</td>
</tr>
<tr>
<td>Hotel Stay</td>
<td>1,260,407</td>
<td>1,018,616</td>
<td>1,246,650</td>
<td>1,037,607</td>
<td>1,040,407</td>
<td>1,043,221</td>
<td>1,040,387</td>
<td>1,043,917</td>
<td>1,040,606</td>
<td>1,043,221</td>
<td>1,043,917</td>
<td>1,040,606</td>
<td>15,005,802</td>
</tr>
</tbody>
</table>

**KOutbound**

| Guam Arrival      | 1,193,350 | 1,016,350 | 1,210,840 | 1,046,510 | 1,093,320 | 1,093,320 | 1,093,320 | 1,093,320 | 1,093,320 | 1,093,320 | 1,093,320 | 1,093,320 | 15,005,802 |
| Hotel Stay        | 1,193,350 | 1,016,350 | 1,210,840 | 1,046,510 | 1,093,320 | 1,093,320 | 1,093,320 | 1,093,320 | 1,093,320 | 1,093,320 | 1,093,320 | 1,093,320 | 15,005,802 |

**KOutbound**

| Guam Arrival      | 1,187,060 | 1,016,350 | 1,210,840 | 1,046,510 | 1,093,320 | 1,093,320 | 1,093,320 | 1,093,320 | 1,093,320 | 1,093,320 | 1,093,320 | 1,093,320 | 15,005,802 |
| Hotel Stay        | 1,187,060 | 1,016,350 | 1,210,840 | 1,046,510 | 1,093,320 | 1,093,320 | 1,093,320 | 1,093,320 | 1,093,320 | 1,093,320 | 1,093,320 | 1,093,320 | 15,005,802 |

**KOutbound**

| Guam Arrival      | 1,181,385 | 1,016,350 | 1,210,840 | 1,046,510 | 1,093,320 | 1,093,320 | 1,093,320 | 1,093,320 | 1,093,320 | 1,093,320 | 1,093,320 | 1,093,320 | 15,005,802 |
| Hotel Stay        | 1,181,385 | 1,016,350 | 1,210,840 | 1,046,510 | 1,093,320 | 1,093,320 | 1,093,320 | 1,093,320 | 1,093,320 | 1,093,320 | 1,093,320 | 1,093,320 | 15,005,802 |

**KOutbound**

| Guam Arrival      | 1,175,710 | 1,016,350 | 1,210,840 | 1,046,510 | 1,093,320 | 1,093,320 | 1,093,320 | 1,093,320 | 1,093,320 | 1,093,320 | 1,093,320 | 1,093,320 | 15,005,802 |
| Hotel Stay        | 1,175,710 | 1,016,350 | 1,210,840 | 1,046,510 | 1,093,320 | 1,093,320 | 1,093,320 | 1,093,320 | 1,093,320 | 1,093,320 | 1,093,320 | 1,093,320 | 15,005,802 |

- GVB Keelung projection

If the 2.0 MS is maintained, GVB can achieve a 300,000 + Korean visitor arrivals during CY2014. This may be due to United's arrival into the market again.
KOREA - Korea Marketing News

3 month Activities/Programs

- **TV Home-shopping**
  - Aug.: Lotte JTB, Online
  - Sep.: Hanjin
  - On cable TV for an 1 hour
- **Golf Tournament**
  - Aug.: Hana Golf - 100 pax
- **Roadshow on September**
- **MICE Group**

<table>
<thead>
<tr>
<th></th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>500</td>
<td>280</td>
<td>1,200</td>
<td>3,800</td>
<td>1,100</td>
<td>1,250</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>8,350</td>
</tr>
<tr>
<td>2015</td>
<td>1,200</td>
<td>760</td>
<td>0.10</td>
<td>2,900</td>
<td>1,300</td>
<td>1,285</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>8,275</td>
</tr>
</tbody>
</table>

Mr. Lee briefed the committee on the 3-month activities and programs, including TV Home Shopping during August and September.

The Hana Golf Tournament is not a Hana Tour staff tournament but rather hosted by Hana Tour. This will be a first time tournament.

GVB will host a roadshow in Busan and Daegu in September around BITF.

Cheosuk Holiday is right before BITF.

Per Adele, the BITF is September 12-15 while Chuseok is 6-10.

Henry says he will review and perhaps plan for right after BITF for the roadshow.

MICE is showing slight increases between January and June 2014.
**Jin Air Sales Contest**

- Jin Air 4th anniversary sales contest with Travel Agents
  - Period: 2014. 05. 01 ~ 05. 31
  - Group portion winner: 1st prize Online
    2nd prize Hana
    3rd prize Very Good
  - FIT portion winner: 1st prize Interpark
    2nd prize Hana
    3rd prize Mode
  - Prize Group & FIT:
    1st prize GVB won 700,000 / Jin Air 2 round trip ticket to Guam
    2nd prize GVB won 500,000 / Jin Air 1 round trip ticket to Guam
    3rd prize GVB won 300,000 / Jin Air 1 round trip ticket to Guam

Mr. explained the process of the Jin air Anniversary Sales Contest to the committee.

---

**Dinner function with Guam Land Operator**

*On Jul. 3, 2014*
Mr. Kong, HIT Tour President, KMC member and KTAG President visited Korea recently. He joined the KGMC and discussed the new safety program being printed for Guam, as well as other issues on the Guam side.

**KOREA - Korea Marketing News**

**BBQ Block Party**

GVB invited Korean Chef Tae-Hyun Lee and Yong-Hyun Choi. He brings along years of experience with food and menu development.

Two popular Korean Chefs attended the annual BBQ Block Party during July 5. And although they did not win, there is hope next year will be much better with better preparation on what to bring and the process of the competition.

Mr. Lee requested management and KMC how many booths to secure for the upcoming Mode Tour Int'l Travel Fair in late October.

After some discussion, it was decided to have four booths forming a pavilion footprint and presentation with members joining GVB.
June 17 – July 10, 2014

• Press Release, Feature Stories
  ✓ [June 09] GVB with a large tourism delegation swept two awards at 2014 KOTFA.
  ✓ [June 12] Guam as a summer holiday destination - Woman Sense (major magazine)
  ✓ [June 16] Guam BBQ Block Party 2014 in July - Mom & Enfant (major family magazine)
  ✓ [June 17] 12 things to experience Guam - Kookja Golf (major sports magazine)
  ✓ [June 18] Guam for cover story of Sky News (bi-weekly inflight paper of Korean Air). To be distributed in all KE domestic and international flights and KE official blog. Also featured on Chosun.com (online site of No 1 media in Korea)
  ✓ [June 28] 2nd Guam BBQ Block Party and Korean chef to join
  ✓ [June 30] Join Ko’ko’ Half marathon and relay event

• Media Fam for Guam Live International Music Festival:
  ✓ 6 media (1 national print, 1 travel magazine, two major media in Busan city, two bloggers visited Guam from June 5-9)

Consumer Events

• Event with J Travel magazine
  ✓ - J Travel is a monthly travel magazine by Joongang Daily, a major daily in Korea, for young travelers in 25-45 in Seoul and Gyeonggi province with a claimed circulation of 200,000.
  ✓ - On the occasion of its anniversary, it is to print a special edition with 300,000 copies.
  ✓ - GVB offered a Guam Travel (air, 3 night hotel & rental car, a tour) as a grand prize
  ✓ - GVB PR office managed to get sponsorship from Garden Villa, Nissan Rent-A-Car and Ride the Duck

• SNS event
  ✓ - An online event was also posted on GVB’s Korean SNS to support the BBQ Block party and the Korean chef
  ✓ - Increase of “Like” and “Share” on GVB’s Facebook
Adele briefed the KMC on the Press Releases and Consumer Events slides. J Travel gave GVB a full page ad.

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**KOREA - Korea PR News**

**Media Exposure in June**

<table>
<thead>
<tr>
<th>MONTH</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer</td>
<td>$16,000.00</td>
<td>$70,000.00</td>
<td>$87,000.00</td>
<td>$21,400.00</td>
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<tr>
<td>Trade</td>
<td>$16,150.00</td>
<td>$9,000.00</td>
<td>$20,910.00</td>
<td>$46,000.00</td>
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<tr>
<td>TOTAL</td>
<td>$32,150.00</td>
<td>$79,000.00</td>
<td>$107,910.00</td>
<td>$187,410.00</td>
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</tbody>
</table>

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Adele explained the details of the June Media Exposure slide.

Chairman Miyashita asked Adele to prepare a report showing a quantified report with actual measurement at the next KMC meeting, including the Friday SNS events.
<table>
<thead>
<tr>
<th>Date</th>
<th>Location</th>
<th>Activity Note</th>
<th>Media Note</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 1</td>
<td>Seoul, South Korea</td>
<td>Family trip to Seoul, South Korea</td>
<td></td>
<td></td>
</tr>
<tr>
<td>June 3</td>
<td>Seoul</td>
<td>Visiting historical sites in Seoul</td>
<td></td>
<td></td>
</tr>
<tr>
<td>June 5</td>
<td>Seoul</td>
<td>Shopping in Seoul, South Korea</td>
<td></td>
<td></td>
</tr>
<tr>
<td>June 7</td>
<td>Seoul</td>
<td>Exploring local culture in Seoul</td>
<td></td>
<td></td>
</tr>
<tr>
<td>June 9</td>
<td>Seoul</td>
<td>Visiting friends in Seoul</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Adele Kim explained the details of the June 2014 showing media and where stories are covered.

Chairman Miyashita asked Adele to elaborate more on some of the detailed amounts noted.
Sample of media coverage.
Continuing coverage by media. This copy shows Vice Speaker BJ Cruz at KOTFA 2014.
Sample of media coverage from Busan.
Media outreach samples for GMIF and Guam Live. Media commented they would like to interview the talents.

**KOREA - Korea News (2014 KOTFA)**

- May 29 – June 01, 2014
- 59 countries; 494 booths; 491 organizations; 120,856 visitors
- Vice Speaker Ben Cruz; Senator Tina Rose Muna Barnes; GVB Chairman
- GVB received two awards:
  - Best Booth Design
  - Best Folklore Performance

KOTFA 2014 photos of awards won by GVB.
KOTFA leaflet used at KOTFA.
KOREA - Korea PR News

Korean Website - New Members

Graph showing Korea website new member registrations. Members must log on and register to view website information.

Chairman Miyashita asked Adele to show the bars in the graph with LY and TY next to each other.

Mr. Tae asked how many new members access the site as well as total hits.

General Manager Pangelinan asked if the new members are new numbers.

Adele said yes.

KMC members may want to compare GVB’s Korea website to their own. And some may want to reach the database members as well.

The Global GVB website is still in the works.

Adele asked the KMC members to provide stories to be posted on the Korea website.
Join
GVB’s SNS News & Event
Every Friday!

Like, Share or Gift!
Join
GVB's SNS News & Event
Every Friday!

Like, Share or Gift!

KOREA - Korea PR News

Upcoming activities

• Consumer Promotion & media visit with EBS TV, Pulmuone:
  Family targeted promotion (Aug – Sept)

• Guam Advertising campaign for summer holiday:
  Seoul and Busan (July-Aug)

• Busan International Travel Fair (BITF):
  September 12-15 in Busan city. GVB to build a 4-booth pavilion

OLD BUSINESS
a. Guam Events
   Guam BBQ Block Party, July 5 (Pleasure Island Street Front)

NEW BUSINESS
Upcoming Events
a. GVB General Membership Meeting (Friday, July 18, 2014)
   Ms. Laguana briefed the committee on the event.

GVB is looking for sponsors for streetlight banners and is extending the opportunity for first refusal to the KMC members.

Mr. Pangelinan said several streetlights have no banner arms, especially along Farenholt Avenue.

Ms. Laguana said there will be scheduled vendor training to allow for staff turn-overs, changes, etc. She encourages vendors to conduct in-house training of staff as well and to put up stickers indicating their participation.

She said there will not be any street party or fashion show this time.

Chairman Miyashita asked if K-pax are still keen to not using coupons.

Some KMC members agree but some also said it should not be an issue.

Ms. Laguana said the use of mobile marketing will be much wider this year and the SGF app will be upgraded.

ANNOUNCEMENTS
Lotte Hotel Grand Opening was held earlier in the week.

NEXT KMC MEETING
Tuesday, August 12, 2014, 11:00 a.m.

ADJOURNMENT
Upon no further discussion, a motion was made by Mr. Tae Oh and seconded by Mr. Terry Chung to adjourn the meeting at 11:50 a.m.

PREPARED BY: /s/  
Felix Reyes, Marketing Office II

APPROVED BY: /s/  
Pilar Laguana, Marketing Manager
The Greater China Marketing Committee Meeting Minutes

July 11, 2014, 11:00AM
GVB Main Conference Room
Page 1 of 8

Attendance:

- Bruce Kloppenburg, General Manager, Kloppenburg Enterprises, Inc. and Committee Chairman
- Charlene Chen, Chinese Sales Manager, PIC.
- Terry Chung, Sales & Marketing Manager, DFS Galleria
- Cris Gamboa, Director of Sales & Marketing, Onward Beach Resort
- Hyong Yi, Sales Manager, Outrigger
- Tomoyuki Goto, VP of Sales & Marketing, SandCastle, Inc.
- Gerald Perez, Managing Director, Leading Edge

GVB Staff:

- Pilar Laguña, Marketing Manager
- Gina Kono, Marketing Officer II
- Regina Nedilic, Marketing Officer II
- Nakisha Onereda, Marketing Officer I

Absent:

- Christina Garcia, Business Development & Marketing Manager, GEDA
- Joanne Camacho, Director of Marketing Development, DFS Guam
- Jenny Cheon, Sales Manager, Holiday Resort Guam
- Tomoyuki Goto, VP of Sales & Marketing, SandCastle, Inc.
- Jeff Schweizer, General Manager, Fiesta Resort Guam
- Elisha Lee, Senior Sales Manager, Lotte Hotel Guam
- Vic Lo, Vice President, Micronesian Mall
- Rolenda Faasuaualie, Marketing Administrator, GIAD
- Jennifer Chae, Sales & Marketing Manager, Nikko Hotel
- Elton Koo, Director, Favour Tour
- Sanghee Yoon, International Sales Manager, Westin
- Johnny Lee, Sales Manager, Hilton Guam Resort & Spa
- Ellen Chen, Assistant Sales Manager (Chinese Market), Hyatt Regency Guam
- Paula Monk, Director of Sales, United Airlines
- Carl Quinata, Industry Specialist, GEDA

AGENDA

I. CALL TO ORDER

Chairman Bruce Kloppenburg called the meeting to order at 11:05AM.

II. APPROVAL OF PREVIOUS MEETING MINUTES

Minutes were unanimously approved by the committee.
III. REPORT OF THE CHAIRMAN

No report.

IV. REPORT OF GVB MANAGEMENT

Marketing Manager Pilar Laguana discussed the Inaugural Beijing Gala that was held in Beijing, China on June 16, 2014. In attendance were Governor Eddie Calvo, Senator Tina Muna Barnes, GVB Board Director Mark Balgya, GVB General Manager Karl Pangemanan, GVB Marketing staff as well as numerous travel agents and media.

The Guam Visitors Bureau had the opportunity to meet with CITS, the largest travel wholesaler in China prior to the gala where they were able to meet and hold discussions with CITS President Madame Wu as well at CITS department heads. Four key items were requested of the bureau as a result of the meeting:

1.) Work with the US Embassy on the visa rejection issue. Travel Agents have been giving feedback that they are seeing a high visa rejection rate in Beijing. Marketing Manager Pilar Laguana stated that she had already reached out to the US Consulate for assistance.
2.) Have CCTV (China television channel) available in hotel rooms. CITS feels this would give great comfort to the Chinese traveler.
3.) Participate in more marketing and promotions with travel agents
4.) Increase Chinese signage in more hotels, restaurants, and retailers.

Ms. Laguana stated that as per Madame Wu, if we all do our part in being sensitive to the needs of the Chinese traveler, Guam has a bright future ahead.

At the conclusion of the inaugural gala the delegation returned to Guam in time to be present at the greeting services for the inaugural flight that was executed by GVB and the Guam International Airport.

Ms. Laguana informed the committee that on the first three flights, Dynamic Air contributed in kind seats to ensure that Guam could publicize their destination in the market. Dynamic Airways invited a healthy list of influential media from all types of mediums: print, radio, television, and social media. Ms. Laguana thanked the industry for all the support that was shown during this period.

Ms. Laguana discussed the struggles travel agents in China are having with sales. These struggles are due to loss of money and visa rejection rates. Ms. Laguana informed the committee that there will be a string of support advertisements coming up and we are starting to see publicity and our advertisements in the market

VISITOR ARRIVALS UPDATE

Marketing Officer II Gina Kono reported latest snap shot of visitor arrivals updates

For the month of June 2014 in comparison to June 2013 Taiwan has seen an increase of 7.4%, China has seen an increase in 14.8% and Hong Kong has seen a decrease of 31.8%. For fiscal year to date, Taiwan has seen an increase of 6.0%, China has seen an increase of 27.5% and
The Greater China Marketing Committee Meeting Minutes

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Hong Kong has seen a decrease of -4.6%. For Calendar Year-to-Date, Taiwan has seen an increase of 5.4%, China has seen an increase of 22.3%, and Hong Kong has seen a decrease of -5.7%

<table>
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<tr>
<th></th>
<th>FISCAL YEAR-TO-DATE</th>
<th></th>
<th>CALENDAR YEAR-TO-DATE</th>
<th></th>
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<tbody>
<tr>
<td></td>
<td>JUNE</td>
<td>Jun-</td>
<td>%</td>
<td>Oct-Jun</td>
</tr>
<tr>
<td></td>
<td>'13</td>
<td>'14</td>
<td>DIFF</td>
<td>'13</td>
</tr>
<tr>
<td>TAIWAN</td>
<td>5,078</td>
<td>4,703</td>
<td>7.4%</td>
<td>32,853</td>
</tr>
<tr>
<td>CHINA, P.R.C.</td>
<td>714</td>
<td>820</td>
<td>14.9%</td>
<td>7,743</td>
</tr>
<tr>
<td>HONG KONG</td>
<td>839</td>
<td>572</td>
<td>31.8%</td>
<td>7,142</td>
</tr>
</tbody>
</table>

**CHINA MARKET UPDATE**

China Smart Goals

- FY13 Arrivals: 8,406
- FY14 Goal Pax: 20,000
- FY14 Budget: $503,500 + $1,034,000 + $1,028,500

FY2014 SMART Goals

- Increase the total no. of direct charter flights by 67% to reach 17 flights, including 2 flights during non-peak periods; Increase the no. of non-charter visitors by travel agencies
- Trade sales incentive Program;
- Develop more charters from 2nd tier cities such as Chengdu and Dalian
- Organize trade promotional events in Wuhan, Chengdu and Tianjin
- Co-operative advertising campaign with travel agencies and airlines in promoting Guam tour product
- Conduct joint ads with travel agents to promote travel product to Guam

Ms. Gina Kono reported on the status of FY2014 goals: We have now increased direct service with the five flights a week from Dynamic Airways. We are also currently working on a cooperative program and hope to work with United Airlines or Dynamic Airways to develop more charters in Chengdu and Dalian. She reported that in line with our goals, promotional events have been conducted in Chengdu and Tianjin, and later in the month Ms. Pilar Laguana and Marketing Officer II Brian Borj will be traveling to Wuhan.
Ms. Kono explained the current joint promotion being held with Ctrip to promote the five-hour direct flight from Beijing to Guam. The landing page links interested visitor to Guam packages from Dynamic Air’s 5 key travel agents. The page also provides information, selling points of the island. Interested travelers are then invited to join Ctrip’s SNS campaign where they submit an itinerary of what they would like to do on Guam. Respondents will be narrowed to 20 and one respondent will be chosen one to win a trip to Guam. Dynamic Air will provide tickets and GVB will cover ground support.

Mr. Terry Chung of DFS inquired about the delays in the first Dynamic flights. Ms. Gina Kono explained that the delay was caused by the closure of the Saipan airport.

Mr. Gerry Perez explained that there’s a new law in China where a customer can pay travel agents only a portion of the tour and then upon satisfaction of the tour they can pay the rest. Delayed flights could ultimately affect delays.

**TAIWAN MARKET UPDATE**

Ms. Regina Nedlc presented the FY2015 smart goals

FY2015 Taiwan
FY2014 Goal Pax: 51,750
FY14 Budget: $370,000
FY15 Goal Pax: 54,338
FY15 Budget: $386,400
FY2015 SMART Goals
- Increase arrivals by 5% March – May/Sep- Nov
- Increase Guam’s influence on SM Network elevate FB fan page to more than 60,000
- Promote M.I.C.E Market with 5 or more groups with over 100 pax
- Support FY2015 Key Campaigns
- Destination Weddings
- Sports Tourism/MICE
- ITF/FESTPAC 2016
Ms. Nedlic reported that GVB Taiwan cooperated with China Airlines for promoting the extra summer flights. The ad has been published on To’Go magazine July issue. In addition to the ad, there is a 8-pages Guam story in the magazine and it will be free.

Ms. Nedlic reported that Gala Television Corporation (GTV) was filming their TV show ‘Taste the World’ on Guam from Jul. 2-10. The host posted some Guam photos on his FB fan page when he stayed in Guam and the BBQ Block Pary July 5th. GTV plans to have 2 whole episodes (120 mins) for Guam. The first episode will introduce wedding chapels; the second one will cover various outdoor activities in Guam. Expected Airing Date: Aug 21 & 28

HONG KONG MARKET UPDATE
Ms. Gina Kono presented the FY2015 Smart Goals

Hong Kong
FY13 Arrivals: 8,936
FY14TD As of Jun 30 Arrivals: 6,814
FY15 Goal Pax: 14,000
FY15 Budget: $215,000
FY2015 SMART Goals
- Engage in Joint Promotions with United, TAs, and GVB members
- Market Development in wedding/honeymoon, education, sports, and cultural tourism
- Increase Media Exposure
- FY2015 Key Campaigns
- Joint promotions with United HK
- Joint promotions with GVB members & TAs
- Joint promotion with TAs and media to promote wedding/honeymoon, education sports, and cultural tourism

V. OLD BUSINESS

The Guam Visitors Bureau and the Guam International Airport Authority executed an airport greeting service for Dynamic Airway's Inaugural flight from Beijing on June 21, 2014. The greeting service included a water salute on the tarmac, greeters at the arrival gate and arrivals section, cultural dancers, and two Ms. Guam's.
VI. NEW BUSINESS

The following motion was approved by the board of directors on July 10, 2014

VisitUSA China: Wuhan Road Show

Motion to approve travel for Marketing Manager & Staff to participate in the VisitUSA China: Wuhan Road Show in Wuhan, Hubei Province from July 22-28, 2014 and to conduct business meetings in Beijing with media, and airline/travel partners. (Cost approximately $8,676.00 from FY2009 Excess Fund Account, CI-FY2009)

Travel Expense

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<thead>
<tr>
<th>Description</th>
<th>Details</th>
<th>Cost</th>
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<tbody>
<tr>
<td>Air Fare</td>
<td>Roundtrip: GUM/CI/GUM $2000.00 x 2 pax</td>
<td>$4,000.00</td>
</tr>
<tr>
<td>Registration</td>
<td>Non-Member = $850.00 per city</td>
<td>$850.00</td>
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<tr>
<td>Per Diem</td>
<td>GVB Marketing Staff</td>
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</tr>
<tr>
<td></td>
<td>Wuhan Lodging: $152.00 x 2 nights x 2 pax</td>
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<td>Wuhan M&amp;IE: $118.00 x 2 days x 2 pax</td>
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<td></td>
<td>Beijing Lodging: $258.00 x 2 nights x 2 pax</td>
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<td></td>
<td>Beijing M&amp;IE: $119.00 x 3 days x 2 pax</td>
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<td>Miscellaneous Expenses</td>
<td>Excess baggage/Communication costs /Unanticipated expenses</td>
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<td>$8,676.00</td>
</tr>
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</table>

Background

VisitUSA China: Wuhan Road Show is a VisitUSA China event offering great learning, media exposure and business development opportunities for Committee members. Member travel suppliers, destinations and CVBs will train client-facing staff from leading agencies on your products, and hold face to face matchmaking meetings with the Chinese travel agents, tour operators and media. VisitUSA China: Wuhan Road Show is an event of unique scope and importance in the outbound Chinese travel industry to the USA, presenting excellent networking and prime business opportunities with an eager and welcoming Chinese audience made up of travel trade. It is important for GVB to participate in this roadshow as a US consulate with the ability to process Chinese visas has opened in this region.

GVB shall conduct important business meetings in Beijing with media from Guam familiarization tours as well as with airline and travel trade partners. In addition GVB needs to conduct face-to-face meetings with Beijing media buyers to ensure that ad placements are in line with GVB's strategic goals as well as to ensure that cost efficiency of media buys.

Issue: Board approval for travel required.
VII. ANNOUNCEMENTS

Ms. Gina Kono announced that the Governor has announced condition of readiness two and that the Government of Guam is closed.

VIII. ADJOURNMENT

Meeting adjourned at 12:00pm.

Minutes Prepared by:
Nakisha Onedera (Marketing Officer I)

Reviewed and approved by:
Nadine Leon Guerrero (Acting Marketing Manager)