



REGULAR BOARD MEETING
 GVB MAIN CONFERENCE ROOM - 4:00PM
 WEDNESDAY; September 24, 2014

BOARD of DIRECTORS PRESENT:

Chairman Baldyga
 Bartley Jackson
 Robert Hofmann
 Milton Morinaga

Vice Chairman Kloppenburg
 Eduardo "Champ" Calvo
 Theresa Arriola

BOARD of DIRECTORS TELEPHONICALLY:

Jennifer Camacho

BOARD of DIRECTORS ABSENT:

Oscar Miyashita - Off-island
 Norio Nakajima - Off-island
 Judith Guthertz - Instructing class at UOG
 Annmarie Muña

GVB MANAGEMENT & STAFF PRESENT:

Karl Pangelinan
 Antonio Muña
 Nakisha Onedera
 Haven Torres
 Felix Reyes

Colleen Cabedo
 Gina Kono
 Brian Borja
 Mark Mangloña

Pilar Laguaña
 Ana Cid
 Elaine Pangelinan
 Joshua Tyquiengco

Guests:

❖ Proceedings:

Chairman Baldyga called the regular meeting of the board to order at 4:40 p.m.

Approval of previous board minutes dated September 11, 2014.

Exhibit A

Director Jackson made a motion, seconded by Director Hofmann, to approve the minutes of September 11, 2014.

**Motion approved (subject to correction).
 Chairman Baldyga made the 8th vote.**

❖ Chairman's Report:

❖ General Manager's Report:

Exhibit B

❖ Treasurer's Report: (O. Miyashita)

Exhibit C

❖ Report of the Board Committees:

A. EXECUTIVE COMMITTEE (B. Kloppenburg)

B. ADMINISTRATION & GOV'T RELATIONS (J. Guthertz)

Chairman Baldyga made a motion, seconded by Director Hofmann, to approve FY2015 budget allocation.

Motion Approved.
Chairman Baldyga made the 8th vote.

Background: Attached is Executive Management's recommendation for the allocation of the Guam Visitors Bureau 2015 budget per Public Law 32-188.

Issue: Board Approval Required.

DISCUSSION/COMMENTS:

- Chairman Baldyga discussed our requested budget is less 1 million dollars; \$500,000 less in marketing and \$500,000 less in capital improvement projects.
- Management recommended that the JMC budget go back to the committee's original request, which was \$7 million. KMC be \$100k less committee's approved budget at \$1.9 million. China marketing is less \$100k at \$1.9 million. Printing goes down from \$450k to \$360k. Capital Improvement Projects go down from \$2 million to \$1.4 million.
- The board agreed that the budget allocation was fair and reasonable.

Vice Chairman Kloppenburg made a motion, seconded by Director Hofmann, to approve authorization of the General Manager as Chief Procurement Officer of the Bureau to negotiate with the highest-ranking qualified offeror in response to GVB RFP 2014-008, Global Digital and Social Media Strategist and if successful, enter into contract.

Motion Approved.
Chairman Baldyga made the 8th vote.

Background: GVB is seeking to award a multi-year single contract for the services of a professional and qualified agency with in-depth knowledge with social media on a global scale to act as GVB's Global Digital and Social Media Strategist.

A new RFP was issued on August 27, 2014. Deadline to receive proposals in response to this RFP was 5:00 p.m., September 19, 2014. The evaluation committee will evaluate proposals on September 25, 2014.

This motion will enable the GVB GM to proceed with contract negotiations with the highest-ranking qualified Offeror as determined by the evaluation committee.

Issue: Board approval required.

DISCUSSION/COMMENTS:

- General Manager Pangelinan briefly stated that they had conducted the RFP opening earlier in the day. He noted that there were two respondents and established a evaluation committee to review their RFPs. Current Global Digital & Social Media Strategist is Talent Basket's Jason Lin.

Vice Chairman Kloppenburg made a motion, seconded by Director Hofmann, to approve authorization of the General Manager as Chief Procurement Officer of the Bureau to negotiate with the highest-ranking qualified offeror in response to GVB RFP 2014-012, Tourism Destination Marketing Representation Services in China and if successful, enter into contract.

Motion Approved.
Chairman Baldyga made the 8th vote.

Background: GVB is seeking to award a multi-year single contract for the services of a professional and established marketing company to act as GVB's tourism destination marketing representative in China.

A new RFP was issued on August 27, 2014. Deadline to receive proposals in response to this RFP was 5:00 p.m., September 19, 2014. The evaluation committee will evaluate proposals on September 26, 2014.

This motion will enable the GVB GM to proceed with contract negotiations with the highest-ranking qualified Offeror as determined by the evaluation committee.

Issue: Board approval required.

C. GREATER CHINA MARKETING (B. Kloppenburg)

Vice Chairman Kloppenburg made a motion, seconded by Director Hofmann, to approve travel for two (2) delegates: (1) GVB Board Director Bart Jackson and (2) GVB General Manager Karl Pangelinan to attend the Hotel Investment Conference Asia Pacific (HICAP) in Hong Kong, SAR from October 13 - 18, 2014. (Cost approximately \$14,660.00; funding source to be identified by management.)

Motion Approved.

Chairman Baldyga made the 8th vote.

Background: Additional hotel rooms are needed on island to increase visitor arrivals. HICAP is the annual gathering place for Asia Pacific's hotel investment community, attracting the most influential owners, developers, lenders, executives, and professional advisors from around the globe.

HICAP: ASIA PACIFIC'S PREMIER HOTEL INVESTMENT CONFERENCES

Most established conferences for the hotel investment and development community. Since 1989, HICAP (Hotel Investment Conference Asia Pacific) events are where the region's preeminent players and executives gather to meet/network, explore opportunities, exchange ideas, and learn.

Registration Fee:	\$2,350.00 x 2 pax	\$ 4,700.00
Airfare:	Roundtrip: GUM/HKG/GUM: \$1,200 x 2 pax	\$ 2,400.00
Per Diem:		
	1. GVB Board Director Bart Jackson	
	Lodging: \$447.50 x 5 nights = \$2,237.50	
	M&IE: \$173.75 x 6 days = \$1,042.50	\$3,280.00
	2. GVB General Manager Karl Pangelinan	
	Lodging: \$447.50 x 5 nights = \$2,237.50	
	M&IE: \$173.75 x 6 days = \$1,042.50	\$3,280.00
	Excess baggage fees & communication	
<u>Unanticipated expenses:</u>	<u>fees</u>	<u>\$1,000.00</u>
Total		\$14,660.00

Issue: Board approval for travel required.

D. RUSSIA & NEW MARKETS (B. Jackson)

E. DESTINATION MANAGEMENT (R. Hofmann)

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

G. SPORTS & EVENTS (J. Camacho/N. Taimanglo)

H. MEMBERSHIP DEVELOPMENT (J. Camacho)

I. RESEARCH (N. Taimanglo)

J. JAPAN MARKETING (M. Morinaga / N. Nakajima)

K. KOREA MARKETING (O. Miyashita)

L. NORTH AMERICA & PACIFIC MARKETS (A. Muna)

❖ OLD BUSINESS

❖ NEW BUSINESS

❖ EXECUTIVE SESSION

❖ ANNOUNCEMENT

Next Board Meeting:

- Thursday, October 9, 2014 at 4:00PM, GVB Main Conference Room

Events:

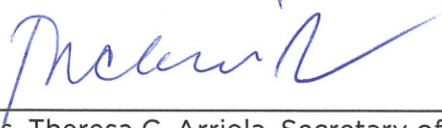
- VSO Launch - Wednesday, October 1 from 9am-10am, Ypao Beach Park.
- Membership Meeting - Tuesday, October 7 from 11am-2pm, Hyatt Regency Guam.
 - Deadline of payment for membership voting eligibility is October 07.
- Guam Ko'ko Marathon and Ekiden Relay -Sunday, October 19, Ypao Beach.
- Invest Guam Symposium - Wednesday, October 22 - 24, Hyatt Regency Guam.

❖ ADJOURNMENT

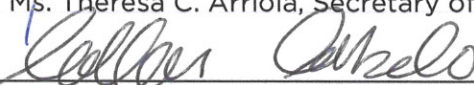
Chairman Baldyga made a motion, seconded by Vice Chairman Kloppenburg, to adjourn the meeting. Meeting adjourned at 4:47 p.m.

Motion Approved.

Chairman Baldyga made the 8th vote.



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



Board Minutes respectively submitted by Colleen Cabedo, Executive Secretary

Action Items:

BY MANAGEMENT

- General Manager Pangelinan to come up with a plan and budget to improve the welcoming experience at the airport. (7/10/14) Also, to make a list of public signs that needs improvement. (7/24/14)
 - Ongoing. (9/11/14)
- Management to make a presentation on the guest satisfaction research report. (8/14/14)
 - Was in General Manager's report on 9/11/14 board meeting, but will be presented at a later board meeting. (9/11/14)
- Management to schedule the breakfast briefing for incoming Senators after the elections (8/14/14).
 - General Manager Pangelinan noted that this would be in November. (9/11/14)
- Management to make a presentation on the Christmas lights for this year (8/14/14).
 - General Manager Pangelinan mentioned that this would be saved for another board meeting. (9/11/14)
- Management to direct the vendor to utilize a single shade of gray and green and to paint a full surface when covering over graffiti to avoid "patches" of mismatched color (8/14/14).
 - Ongoing. Waiting on GTA and GPA. (9/11/14)
- Management to accelerate and prioritize the cut offs and the bus shelters (8/14/14)

- General Manager Pangelinan reported that the bus shelters are out and live. The bus cut outs should be out on the streets in the coming weeks. (9/11/14)
- Management to present bus shelter design ideas to the Board (8/14/14)
 - Ongoing and to present sometime in October 2014. Once we select the firm. The design will go out to the board. (9/11/14)
- Sports & Events Committee to brainstorm new major event ideas for next year (8/14/14)
 - Will be having a brainstorming session in the next couple of weeks. (9/11/14)
- Chairman Baldyga noted that VSOs be introduced to the board at the next board meeting. (9/11/14)
- Chairman Baldyga noted that he would like to have a Paint Guam initiative when rainy season is over. Would like to take it upon us to spruce up retaining walls that need water-blasting/cleaning and painting. Would like to pick one or two colors to uniformly paint the retaining walls in Tumon. Perhaps, use this as a springboard to go to the Lieutenant Governor's Office to see if he could support us by getting the paint stores to offer us discounts. Chairman Baldyga would like to see this take action from January - March 2015. (9/11/14)
- Management to work with agriculture on replanting trees next spring. (9/11/14)



**CASH, RECEIVABLES, & PAYABLES POSITION
FY 2013 & FY 2014 COMPARATIVE REPORT**

FY 2013 (09/23/2013)	Balance
CITIBANK OPERATION	\$428,736.10
BANK OF GUAM	\$10,391,054.46
FIRST HAWAIIAN BANK - Membership	\$52,848.01
RESONA BANK	\$151,362.53
CITIBANK - TAF	\$67,968.59
BOG - TAF ACCOUNT	\$567,706.98
BOG - RAINY DAY FUND	\$1,660,117.19
BOG - FESTPAC Trust Account	\$1,135,089.08
MORGAN STANLEY - CD **	\$2,507,291.02
BOG - 2/12 Memorial Fund	\$123,936.82
TOTAL CASH IN BANKS AS OF 09/23/2013	\$17,086,110.78

**Morgan Stanley CD Market value as of 08/31/13 (value if withdrawn prior to maturity - Maturity Date October 2013)

FY 2013 BUDGET P.L. 31-233	
GVB - \$15,238,239.00	
OPERATIONS - \$14,022,384.00	
TAF Special Projects - \$1,215,855.00	
PASS THRU APPROPRIATIONS - \$780,000.00	
OTHER APPROPRIATIONS:	
PL 31-270/281	\$320,958.00
PL 32-057/058/059	\$227,000.00

	OPERATIONS	TAF Special Projects	Pass-thru
11/15/12	\$1,420,199.55	\$121,535.00	\$ 55,253.00
12/17/12	\$1,362,725.00	\$121,535.00	\$ 55,253.00
01/14/13	\$1,011,749.00	\$121,535.00	\$ 19,834.00
02/14/13	\$ 842,725.00	\$121,535.00	\$ 0-
03/13/13	\$1,602,237.00	\$121,535.00	\$ 55,253.00
04/16/13	\$1,391,749.00	\$121,535.00	\$ 55,253.00
05/17/13	\$1,262,725.00	\$121,535.00	\$ 19,834.00
06/12/13	\$2,060,995.00	\$121,535.00	\$ 97,756.00
06/19/13	\$ -0-	\$ -0-	\$ 14,125.00
07/12/13	\$ 945,975.00	\$142,893.30	\$190,552.00
08/12/13	\$1,082,237.00	\$ -0-	\$ 55,253.00
09/11/13	\$ 520,000.00	\$ -0-	\$459,300.74
	\$14,003,316.55	\$1,115,573.30	\$1,071,083.74

Total Allotment Received to Date:	\$16,189,973.59
Less prior year appropriations received:	(\$1,297,250.04)
Accounts Receivable FY 2013	\$1,673,473.45

FY 2013 ACCOUNTS PAYABLE as of 08/06/13	Amount
Asatsu invoices Dec'12 - Jul'13	\$1,773,325.47
Japan Miscellaneous Invoices	\$32,378.48
Guam Miscellaneous Invoices	\$731,814.62
FY 2011/2012 Pass-thru appropriations	\$391,841.24
FY 2013 Pass-thru appropriations	\$1,057.00
Encumbered Contracts (not yet incurred)	\$3,337,843.26
Encumbered Purchase Orders (not yet incurred)	\$81,846.27
FESTPAC Trust Account	\$1,135,089.08
Total Payables to date	\$7,485,195.42

FY 2014 (09/22/2014)	Balance
BANK OF GUAM	\$8,278,809.92
FIRST HAWAIIAN BANK - Membership	\$45,770.93
RESONA BANK	\$181,623.13
BOG - TAF ACCOUNT	\$1,562,777.04
BOG - RAINY DAY FUND	\$1,872,228.27
BOG - FESTPAC Trust Account	\$1,546,646.68
MORGAN STANLEY - CD **	\$2,510,944.95
BOG - 2/12 Memorial Fund	\$24,687.71
TOTAL CASH IN BANKS AS OF 09/22/2014	\$16,023,488.63

**Morgan Stanley CD Market value as of 07/31/2014

FY 2014 BUDGET P.L. 32-068	
OPERATIONS - \$15,487,134.00	\$ 18,262,134.00
TAF Special Projects - \$2,000,000.00	
PASS THRU APPROPRIATIONS - \$775,000.00	

	OPERATIONS	TAF Special Projects	Pass-thru
11/14/13	\$1,161,535.00	\$ 150,000.00	\$ 58,125.00
11/15/13	\$1,161,535.00	\$ 150,000.00	\$ 58,125.00
11/29/13	\$ -0-	\$ -0-	\$ 7,500.00
12/11/13	\$1,161,535.00	\$ 150,000.00	\$ 63,750.00
12/24/13	\$ -0-	\$	\$ 3,750.00
01/10/14	\$1,032,535.00	\$ 150,000.00	\$ 26,250.00
01/21/14	\$ -0-	\$ -0-	\$ 2,500.00
02/11/14	\$ 386,100.00	\$ 150,000.00	\$ 22,500.00
03/17/14	\$1,936,970.00	\$ 150,000.00	\$ 96,000.00
04/17/14	\$1,290,535.00	\$ 150,000.00	\$ 80,250.00
05/09/14	\$ 649,017.55	\$ 150,000.00	\$ 56,250.00
06/19/14	\$1,161,535.00	\$ 150,000.00	\$ 56,250.00
08/04/14	\$1,161,535.00	\$ 150,000.00	\$ 56,250.00
08/12/14	\$1,161,535.00	\$ 150,000.00	\$ 56,250.00
08/26/14	\$1,050,000.00	\$ 150,000.00	\$ -0-
09/09/14	\$1,161,535.00	\$ 150,000.00	\$ 56,250.00
	\$14,475,903.55	\$1,950,000.00	\$ 700,000.00

Total FY 2014 Allotment Received to Date:	\$17,125,903.55
Accounts Receivable FY 2014	\$1,136,230.45

FY 2014 ACCOUNTS PAYABLE as of 09/22/2014	Amount
Asatsu invoices June/July/August 2014	\$1,644,428.56
Japan Miscellaneous Invoices	\$22,407.88
Guam Miscellaneous Invoices	\$1,097,309.32
FY 2011/2012/2013 Pass-thru appropriations	\$292,842.24
FY 2014 Pass-thru appropriations	\$18,375.00
Encumbered Contracts (not yet incurred)	\$2,376,108.43
Encumbered Purchase Orders (not yet incurred)	\$232,119.78
FESTPAC Trust Account	\$1,546,646.68
Total Payables to Date	\$7,230,237.89



**Statement of Revenues & Expenditures
From 10/1/2013 through 08/31/2014**

Revenue	
GovGuam Allotments	16,272,045.55
Membership	35,400.00
Interest Income	13,786.16
Foreign Exchange Gain/Loss	(37,563.48)
CD Morgan Stanley Gain/Loss	2,649.42
Miscellaneous	528,114.67
Consumption Tax	180,113.72
In-Kind Contributions	252,464.51
Total Revenue	<u>17,247,010.55</u>
Expenditures	
Personnel	2,074,781.59
Travel	631,050.79
Utilities	170,167.18
Professional Services	7,549,356.96
Materials & Supplies	150,062.44
Equipment	60,414.86
Contractual Services	994,106.88
Rent/Lease	214,931.63
Repairs & Maintenance	37,721.53
Advertising & Printing	111,964.16
Grants & Sponsorships	540,699.46
Miscellaneous	299,738.00
Community Programs	1,888.00
In-Kind Contributions	252,464.51
Consumption Tax	19,889.96
Pass-Thru Appropriations	379,675.00
Depreciation	76,388.84
Total Expenditures	<u>13,565,301.79</u>
Net Gain/Loss	<u><u>3,681,708.76</u></u>





**Comparative Statements of Revenues & Expenses
August 2014, August 2013, & YTD**

	OPERATIONS					SPECIAL PROJECTS			
	August 2014 Actual	August 2013 Actual	YTD as of August 2014	FY 2013 as of August 2013		August 2014 Actual	August 2013 Actual	YTD as of August 2014	FY 2013 as of August 2013
Revenue					Revenue				
GovGuam Allotments	3,403,070.00	1,096,404.00	13,509,367.55	13,639,153.55	GovGuam Allotments	450,000.00	0.00	1,982,378.00	1,115,573.30
GovGuam Allotments - Pass-thru	82,500.00	41,086.00	780,300.00	455,446.00	Interest Income	124.71	93.09	983.28	990.03
Federal	0.00	0.00	0.00	17,755.00	Miscellaneous NOTE 5	0.00	0.00	265,178.50	54,125.00
Membership NOTE 1	0.00	0.00	35,400.00	68,400.00	Total Revenue	450,124.71	93.09	2,248,539.78	1,170,688.33
Interest Income	1,071.51	1,480.81	12,802.88	14,033.07	Operational Expenses				
Foreign Exchange Gain/Loss	(3,963.15)	2,192.37	(37,563.48)	(15,298.62)	Utilities	8,265.05	9,278.80	53,567.07	48,200.47
CD Morgan Stanley Gain/Loss	0.00	1,057.63	2,649.42	7,291.02	Professional Services	0.00	7,072.00	66,916.50	68,050.00
Miscellaneous	37,728.69	6,927.87	262,936.17	382,559.20	Contractual Services NOTE 5	38,337.61	104,151.69	943,536.69	757,241.94
Consumption Tax	0.00	0.00	180,113.72	103,668.89	Advertising & Printing	0.00	0.00	240.00	160.00
In-kind Contributions	215,356.01	29,015.58	252,464.51	107,698.07	Miscellaneous	0.30	0.30	13.20	7.80
Total Revenue	3,735,765.06	1,178,164.26	14,998,470.77	14,780,716.18	Total Operational Expenses	46,602.96	120,502.79	1,064,273.46	873,660.21
Operational Expenses					Change in Net Assets	403,521.75	(120,409.70)	1,184,266.32	297,028.12
Personnel NOTE 2	178,380.16	147,201.17	2,074,781.59	1,814,754.83					
Travel	25,458.96	47,525.46	631,050.79	378,028.00					
Utilities	10,447.36	9,797.48	116,600.11	127,659.06					
Professional Services	528,043.13	298,460.72	7,472,440.46	4,910,533.61					
Materials & Supplies NOTE 3	53,747.02	2,258.63	150,062.44	73,925.07					
Equipment NOTE 4	734.68	732.78	60,414.86	21,284.34					
Contractual Services	11,308.18	815.00	60,570.19	62,331.01					
Rent/Lease	15,175.41	15,709.56	214,931.63	227,672.58					
Repairs & Maintenance	11,735.10	452.11	37,721.53	52,841.59					
Advertising & Printing	10,366.00	19,218.00	111,724.16	96,880.06					
Grants & Sponsorships	28,127.00	64,466.61	540,699.46	792,681.46					
Miscellaneous	16,258.17	53,270.06	299,724.80	357,895.76					
Total Operational Expenses	889,781.17	659,907.58	11,770,722.02	8,916,487.37					
Non-Operational Expenses									
Community Programs	0.00	0.00	1,888.00	0.00					
In-Kind Contributions	215,356.01	29,015.58	252,464.51	107,698.07					
Consumption Tax	0.00	2,257.80	19,889.96	16,061.36					
Pass-Thru Appropriations	46,875.00	36,836.00	379,675.00	356,246.85					
Depreciation	6,944.44	6,944.44	76,388.84	78,372.09					
Total Non-Operational Expenses	269,175.45	75,053.82	730,306.31	558,378.37					
Change in Net Assets	2,576,808.44	443,202.86	2,497,442.44	5,305,850.44					

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 reusable bags purchased.
 NOTE 4: Increase in Equipment due to new computers purchased and equipment purchased for GPD.
 NOTE 5: Increase due to GEDA QC funding for Special Projects





Comparative Balance Sheet
August 31, 2014 & 2013

OPERATIONS		
	August 31, 2014	August 31, 2013
Assets		
Current Assets		
Cash & Cash Equivalents	13,837,166.43	15,917,858.25
Accounts Receivable - Appropriations	2,304,016.45	2,159,242.45
Accounts Receivable - Other	127,295.90	142,218.35
Total Current Assets	16,268,478.78	18,219,319.05
Long-term Assets		
Property & Equipment	6,818,804.60	6,902,137.88
Total Long-term Assets	6,818,804.60	6,902,137.88
Total Assets	23,087,283.38	25,121,456.93
Liabilities		
Current Liabilities		
Accounts Payable	156,109.91	79,942.24
Accounts Payable - Pass-thru entities	292,842.24	332,912.27
Deferred Revenue - Appropriations	2,304,016.45	2,159,242.45
Deferred Revenue - Membership	300.00	400.00
Total Current Liabilities	2,753,268.60	2,572,496.96
Long-Term Liabilities		
Unfunded Pension Cost	0.00	0.00
Accrued Sick Leave	148,448.06	141,766.07
Accrued Annual Leave	123,646.07	104,915.14
Total Long-Term Liabilities	272,094.13	246,681.21
Total Liabilities	3,025,362.73	2,819,178.17
Net Assets		
Beginning Net Assets	17,564,478.21	16,996,428.32
Change in Net Assets	2,497,442.44	5,305,850.44
Total Net Assets	20,061,920.65	22,302,278.76
Total Liabilities and Net Assets	23,087,283.38	25,121,456.93

SPECIAL PROJECTS		
	August 31, 2014	August 31, 2013
Assets		
Current Assets		
Cash & Cash Equivalents	1,377,103.31	675,676.78
Accounts Receivable - Appropriations	350,000.00	182,378.00
Accounts Receivable - Other	0.00	0.00
Total Current Assets	1,727,103.31	858,054.78
Total Assets	1,727,103.31	858,054.78
Liabilities		
Current Liabilities		
Accounts Payable	0.00	0.00
Deferred Revenue	200,000.00	182,378.00
Total Current Liabilities	200,000.00	182,378.00
Total Liabilities	200,000.00	182,378.00
Net Assets		
Beginning Net Assets	342,836.99	378,648.66
Change in Net Assets	1,184,266.32	297,028.12
Total Net Assets	1,527,103.31	675,676.78
Total Liabilities and Net Assets	1,727,103.31	858,054.78



NORTH AMERICA & PACIFIC (NAP) MARKETING COMMITTEE MINUTES
MONDAY, OCTOBER 6, 2014

COMMITTEE MEMBERS:

- Chairwoman Annmarie Muna, A.M. Insurance
- Co-Chairwoman Judith Guthertz, GVB Board Member
- Jacob Leon Guerrero, Pacific Islands Club
- John Calvo, WPRFMC
- Liza Marie Diaz, Sheraton Laguna Guam Resort
- Amilyn Salas, Sheraton Laguna Guam Resort
- Monte Mesa, Guam Premier Outlets
- Norman Aguilar, Guam Community College
- Ana Marie Franquez, Pactours, Inc.
- Janet Wong Shmull, Outrigger Guam Resort
- Katie Black, Mystical Tours & Adventure
- Barbara Taitano, Mystical Tours & Adventure

GVB STAFF:

- Pilar Laguaña
- Regina Nedlic
- Gina Kono
- Felix Reyes
- Mark Manglona
- Haven Torres

I. CALL TO ORDER

N/A; Meeting was canceled due to Tropical Storm Vongfong and therefore members of the North America & Pacific Marketing Committee were asked to vote electronically on the motions.

II. MINUTES OF THE MARCH 5, 2014 MEETING

III. REPORT OF THE CHAIRWOMAN

N/A

IV. REPORT OF MANAGEMENT

- PACIFIC MARKET

ITB Asia 2014 Motion

Motion to approve travel for two (2) GVB Marketing staff to attend the ITB Asia in Singapore from October 29-31, 2014. Travel cost is approximately \$8,580.00 and will come out of account number PA-SMD026.

Airfare	\$1,200 x 2 Pax	\$2,400.00
Per Diem	\$453/Day x 6 Days x 2 Pax	\$5,436.00
Unanticipated Expenses	Communications	\$244.00
	Excess Baggage	\$200.00
	Transportation	\$300.00
TOTAL		\$8,580.00

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Background: ITB Asia is the leading Asian B2B Travel Event. Over 9,100 delegates participated at last year's event that attracted 250 media representatives, 825 exhibitors and 750 international buyers. This year, ITB Asia is taking place in Singapore from October 29-31, 2014 at the Marina Bay Sands Expo and Convention Center.

ITB Asia 2013 Trade survey revealed that majority of the trade visitors that attended the trade show were interested to meet with tour operators, travel agents and tourism organizations. In addition over 73% of the trade visitors that participated have the authority to make purchasing/procurement decisions in their company.

ITB Asia 2013 Buyer surveyed showed that the top 5 areas of business that buyers represent were: Outbound Travel Agent/Tour Operator, Meeting/Incentive/Event Planners, Travel Agents handling incentive program, Retail Travel and Destination Management Company. Furthermore, 87% of buyers that attended have the authority to make purchasing/procurement decision in their company.

ITB Asia 2014 is looking to be another successful event with more exhibitors and buyer/trade registrations, which will result in more appointments, networking opportunities, and new business.

Action: Board approval for travel required. **MOTION APPROVED**

Cruise Shipping Asia-Pacific Conference Motion

Motion to approve travel for two (2) GVB staff to attend the Cruise Shipping Asia-Pacific Conference in Hong Kong from November 20-21, 2014. Travel cost is approximately \$10,000.00 and will come out of account number PA-SMD023.

Airfare	\$2,000 x 2 Pax	\$4,000.00
Per Diem	\$497/Day x 5 Days x 2 Pax	\$4,970.00
Unanticipated Expenses	Communications	\$280.00
	Excess Baggage	\$250.00
	Transportation/Meetings	\$500.00
	TOTAL	\$10,000.00

Background: The Asia-Pacific region is the fastest emerging market in the cruise industry. With the staggering increase in homeported ships and the developing port infrastructure, there's no better time for cruise industry suppliers to join the growing company of vanguards capitalizing on this opportunity including port development, destinations, ship equipment, design and refurbishment and shipbuilding.

The Asia-Pacific region is expected to reach 3.8 million passengers by 2020. In 2013, 117 separate destinations in 17 nations in Asia received/hosted cruise ships. And by 2021, the world's largest cruise companies will have 38% of their market share in Asia.

In July 2013, the Guam legislature under the leadership of Speaker Judith Won Pat Borja pass Resolution No. 106-32 (COR), which supported the development of a public policy, investment and operational framework for establishing a sustainable and green cruise industry in Micronesia with Guam serving as the regional hub. All fifteen Senators signed on.

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The Guam Visitors Bureau will be reaching out to the National and State Tourism Offices in Micronesia to invite them to participate in the conference and to promote Cruise Shipping to the region by exhibiting at the event.

Action: Board approval for travel required. **MOTION APPROVED**

▪ **NORTH AMERICA MARKET**

DEMA 2014 Motion
DEMA 2014 Motion

Motion to recommend board approve travel of two (2) GVB Marketing staff to attend the DEMA Show 2014 to be held November 19 - 22, 2014 in Las Vegas, Nevada and the Guam/Micronesia Product Update Seminars/Roadshow in San Diego, California, during November 24. (Travel cost approximately \$10,372.00; Acct. #US-TTC066)

Airfare (\$2,500 x 2 pax)	\$5,000.00
Per Diem - Las Vegas Lodging (\$96/day x 6 nites x 2 pax)	\$1,152.00
Per Diem - San Diego Lodging (\$142.00 x 1 nite x 2 pax)	\$284.00
Per Diem - Las Vegas M&IE (\$71/day x 7 days x 2 pax)	\$994.00
Per Diem - San Diego M&IE (\$71/day x 1 day x 2 pax)	\$142.00
Excess Baggage	\$300.00
Unanticipated & Event/Roadshow Expenses/Meeting Event Expenses	\$2,500.00
	\$10,372.00

Background: Guam Visitors Bureau (GVB) is a member of DEMA and plans attend the event to reach out to stateside aquatic adventurers and diving enthusiasts to consider travel to Guam and Micronesia during the event. The DEMA Show is the only international trade-only event for diving, action water sports and travel industries attended by thousands. And together with other Micronesian partners create a strong regional presence supported by United. GVB, together with MDA will be hosting a Guam and Micronesia seminar to attendees on Guam diving and above surface activities.

DEMA details:

- 95 Countries
- 50 States
- 6 Territories
- 98% of attendees visit the exhibit floor
- 97% of attendees are involved in their company's purchasing decision
- Hundreds of exhibits featuring dive and water sports travel
- Travel professionals

Local companies joining GVB at DEMA include:

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MDA
AXE Murder Tours (Megan)
Mystical Tours & Adventure
Mr. Tim Rock

GVB will also be hosting a half-day seminar with San Diego based Che'lu, Inc., its members and the Chamorro Sons and Daughters Club of America in preparation for FESTPAC 2016 as well as to encourage return visits during the coming year.

Action: Board approval required for travel. **MOTION APPROVED**

National Tour Association Motion

Motion to approve travel for the GVB Marketing Manager and (1) GVB staff to attend the National Tour Association (NTA) Convention in New Orleans, LA, from January 18-22, 2015. Cost is approximately \$7,850.00 from the FY2015 North America Sales Marketing Development Acct# SMD023.

Airfare (\$1,800 x 2 pax)	\$3,600.00
Per Diem - Lodging (\$151/day x 7 nites x 2 pax)	\$2,114.00
Per Diem - M&IE (\$71/day x 8 days x 2 pax)	\$1,136.00
Excess Baggage	\$200.00
Unanticipated Expenses/Business Meetings	\$800.00
TOTAL	\$7,850.00

Background: As an active NTA member, GVB plans to join other NTA members and over 50 major U.S. outbound tour operators at the convention, along with key Russian and Chinese travel/trade representatives. The National Tour Association (NTA) is a trade organization of thousands of tourism professionals involved in the growth and development of the packaged tour industry. The organization is made up of tour operators, tour suppliers, and Destination Marketing Organizations (DMO's). The 2015 convention will be held in New Orleans, Louisiana, from January 18-22, 2015, where NTA's 2,500 travel professionals will join over 500 travel buyers and more than 200 tour operators and travel trade media in a weeklong series of one-on-one meetings and seminars. Aside from the meetings with the many NTA members, the GVB delegation has confirmed appointments with almost 50 NTA members in a Buyer-To-Buyer meeting format. The GVB delegation will also have meetings with NTA officials to provide updates on the U.S. marketing efforts in China and how GVB can use NTA's resources to further its outreach in China and Russia.

Action: Board approval required for travel. **MOTION APPROVED**

HOME BASED TRAVEL FORUM FY2015 Motion

Motion to recommend board approve travel of two (2) GVB Marketing staff to attend the Home Based Travel Agent Forum 2014 to be held November 10 - 12, 2014 in Chicago, Illinois. (Travel cost approximately \$7,092.00; Acct. #US-SMD023)

Airfare (\$1,800 x 2 pax)	\$3,600.00
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Per Diem - Lodging (\$194/day x 5 nites x 2 pax)	\$1,940.00
Per Diem - M&IE (\$71/day x 6 days x 2 pax)	\$852.00
Excess Baggage	\$200.00
Unanticipated Expenses/Business Meetings	\$500.00
TOTAL	\$7,092.00

Background: The Home Based Travel Agents Forum is comprised of more than 32,000 home based travel professionals and more than 8,000 travel agent members. This event will bring together more than 2,000 top-producing home based travel agents for 3 days of one-on-one meetings, networking, and provides a unique opportunity to connect face-to-face with many of the established home based professionals.

Last year, 46 states were represented + Canada and nearly 300 top domestic and international suppliers attended. Destination productivity was valued at 92% of those who attended the event last who sold destination within 1 month of the event.

GVB hopes to connect with this unique, high productivity group to establish a database of home-based travel agents who already sell Guam and the region and to develop new ones.

Action: Board approval required for travel. **MOTION APPROVED**

V. OLD BUSINESS

VI. NEW BUSINESS

VII. ANNOUNCEMENTS

VIII. ADJOURNMENT

MINUTES PREPARED BY:

Mark Manglona, Marketing Officer I

APPROVED BY:

Pilar Laguaña, Marketing Manager

JAPAN MARKETING COMMITTEE MEETING - WEDNESDAY, SEPTEMBER 17, 2014

JMC MEMBERS PRESENT: Milton Morinaga, Norio Nakajima, Satoru Murata, Yuta Yokoyama, Mitsunori Takahashi, Kazu Atsuta, Kiyoshi Kawano

OBSERVERS/GUESTS PRESENT: Mark Baldyga, Tomoyuki Goto, Kimi Passauer, Nozomi Saito

ABSENT: Tadashi Echikawa, Ken Yanagisawa, Masaaki Kawanabe, Jae Hong Park

GVB: Nathan Denight, Nadine Leon Guerrero, June Sugawara, Elaine Pangelinan, Ana Cid, Koichi Hoshino-ADK

CALL TO ORDER

The meeting was called to order at 10:05 A.M.

APPROVAL OF MINUTES

Motion made by Mr. Nakajima and seconded by Mr. Yokoyama to approve the JMC Minutes of August 20, 2014. Minutes approved.

REPORT OF CHAIRMAN

- Reported his recent trip to Tokyo from September 10-12 to meet with major travel agents as commented:
 - Main objective of trip was to motivate key travel agents to drive airlines to take advantage of open slots for charter flights out of Haneda Airport. Overall, the general consensus favors the charter opportunities.
 - Domestic travel is on the rise and poses a great challenge for Guam especially with Okinawa that is now becoming a competitor for Guam. Agents expressed that Okinawa has been very powerful this year in presenting its destination. The biggest threat is that the government has put out \$58+ million into its marketing. Developers have improved the destination with new brand hotels such as The Four Seasons and other major hotels. Other development included a private island resort concept with authentic Okinawa homes.
 - Reported an undisclosed travel agency was experiencing losses last year by discounting its Guam packages and although they sold quantity, profit margin was very small. With the price structure change, the agency's yield is gradually improving this year however, to make up for the losses, it concentrated efforts on Okinawa that resulted in recovered profits.
 - GVB needs to look at the competition seriously and find ways to divert travelers to Guam.
 - Japan is now experiencing some economic challenges and the possibility of increasing consumption tax to 10% is being contemplated for next April. Last year, sales of condominiums was up but this year it is down by 49%, meaning people are holding on to their money.
 - Agents are questioning what the value for Guam is. Comments such as wanting to see Guam products and services improved were communicated as well as what does Guam have to offer that Okinawa cannot. GVB's "Time Out" was shared with the agents who were very impressed with this handout as it illustrated places and things unique to Guam.
 - Stressed to continue the Hafa Adai Study Tour for Japan agents.
 - Suggested we implement a local FAM tour for Japanese tour desk staff to become acquainted with Guam's products. It's important for these front line staff to become familiar with what is available and offered on Guam.

- To take this further, Guam's service industry needs to be improved therefore; we should also implement a "Hafa Adai Service" program to stress the importance of our hospitality and the services we should provide to our visitors. While this may be the responsibility of the businesses, GVB can contribute somehow to improve this area. Overall, the agents are saying they do not want to continue to sell discounted packages for Guam and that Premium Guam is very well received but expects value for money. Guam needs to step up and stand by its premium image by providing quality products and services.
- Although waiting final confirmation, the first charter flight coming in from Haneda is scheduled to arrive in December. (Two Wave) This charter is sold by HIS, JTB and Sawayaka. Charters out of Haneda are very promising as long as flights can leave between 2pm and 7pm and if aircraft is available. GVB still needs to continue its push for Haneda.
- December will be a busy time. Load factor very good in December. Next summer will also be very busy.

REPORT OF MANAGEMENT (drop DGM slide)

- Seeing decrease in seat capacity. Airlines also focusing on yield. Talked with United. Night flight little slower than daytime that is more expensive.
- Prepaid spending in yen covered in GVB exit survey we are down by 10% in total arrivals but up in expenditures on prepaid. Packages more expensive but seeing more spend in yen.
- On island spend times arrival numbers is down -1%
- Key destination package tour prices Guam are more expensive than Okinawa and not too far off on Hawaii prices. Guam packages now costing about \$1,000 (for Onward Hotel). \$300.00 packages to Guam being eliminated.
- Had meeting with JATA and requested outbound forecast for Japan. Domestic travel forecast from JATA was not ready for release. Some tax issues and others are being looking at.
- Travel agents now focusing on yield, airlines charging more due to less seats; hotels prices increasing because of high demand from other markets
- Weakening yen also causing uncertainties. Tax increase in April factor and there is consideration for additional tax increase from 8% to 10% next April causing some uncertainties in outbound travel. Just to summarize, Guam arrivals down 10%, yet expenditures in yen remain the same. With GVB 2020 plan in objective 1 to improving yield it appears were making progress. Generally, yield is up but volume now down.
- TA meetings were very productive and thanks to JMC Chair in getting some good information out of the agents that consisted of Presidents and CEO's and are very committed to Guam. Met also with teams including MICE planners and tour package planning divisions.
- Along the same lines, overall package prices are up, focus is on yield.
- TA's commented Guam needs to continue to raise its quality standards especially on the service level to match the price to the value and the JGTC Chair (R&C) had good idea for introducing a service pledge similar to the Hafa Adai Pledge, having businesses throughout Guam to commit to a service level. GVB mentioned Guam is looking at introducing a tourism academy idea and his take is that it should be up to the businesses to train their employees to be at the level where they need to be but any tools we can give is a benefit. GVB now exploring idea.
- Most agents are saying Okinawa is our real competitor because Guam is a short-haul destination just as Okinawa is. The destination is now developing in its marketing as well as investments in new hotels and attractions.
- GVB generally needs to do a better job all the way around to get more information out about Guam's tourist attractions, restaurants, new products and events. Agents are looking for unique things to sell and how to sell them.
- MICE and group business across the board is strong and up compared to last year and continues to be strong.
- Interestingly, JTB is committed to GVB Tourism 2020 plan having set a target goal of 300,000 pax and so it's nice to hear they agree with our strategy.

- All agents are supportive of GVB's initiatives with Haneda and will write letters of support. JGTC Chairman Tajima suggested approaching carriers jointly with JGTC, GVB and GIAA to be more productive.
- Haneda day slots still very limited especially for US destinations because of the Japan-US air agreements and that the US carriers are trying to work out those slots. However, night charters are available from 10pm to 7am so some of the agents will be doing charters in December.
- GVB considering putting out an incentive program as done with its other markets but for Haneda Charters for JMC consideration.

ADK Update:

- Premium Guam campaign in progress. This year 2nd year now focusing on spend
- Many travel agents indicated Guam is a cheap destination and now we are at the beginning stage of the premium concept of a quality destination.
- Catch phrase of "Premium Guam is so accessible" is to remind travelers of Guam's close proximity yet will experience a quality destination. Although proximity is not only a key point but is a more premium, more value.
- Premium experience Guam can offer unique things no other destination offers. Need to convey.
- How to target? OL, Senior, Family. For family Key is to raise spend. Primary target is "Otona" Grownup
- Share of Voice - Guam low. Guam cannot get support from TA or key airlines with this.
- Next fiscal year to focus on raising awareness of Guam
- Went through ad schedule
- To support TV commercials, also doing train channel ads
- Support from travel industry needed, 300,000 budget secured for co-op ad support

Report of GVB Japan Manager

- Reiterated meetings in Japan went very well. Industry now focusing on yield and in line with Tourism 2020 strategy.
- Need to continue negotiation with airlines. JTB has secured a charter out of Haneda December 28. GVB needs to monitor and ensure success of this charter as it will trigger other airlines to consider charter opportunities out of Haneda.
- Need to continue strong promotions and support of TV ads. GVB also needs to continue sports events.
- Dusit Thani still uncertain of opening causing MICE groups to consider other destinations.

Discussion:

- Chairman Morinaga commented it is difficult to secure regular flights out of Haneda due to bilateral agreements with US and Japan. Meanwhile charters are the way to go. To assist with United Airlines Japan efforts, GVB is asked to lobby with United's headquarters in Chicago.
- Taking the travel agents comments that Okinawa is now Guam's competition, it was suggested GVB study Okinawa and compile a comparison between the two destinations to identify Guam's unique features that stand out best to be incorporated in Guam's PR and advertisement initiatives. Further commented that Okinawa's image as a military island in past years may now be Guam's image. Okinawa is now becoming a popular family destination.
- Mr. Denight expressed this is a good point and mentioned that GVB is working on an umbrella campaign for all markets hoped to be rolled out next year. This campaign aims to market Guam's unique selling point or hook that makes people want to come or must see for

example Paris, everyone travels to Paris to see the Eifel Tower. GVB has some key ideas that would be presented in the next couple of months.

- Mr. Takahashi suggested that GVB visit Okinawa to gather information about what Guam has that Okinawa does not.
- Mr. Mitsumori advised he is in discussion with JGTC to consider holding a meeting in Okinawa for GVB to attend.
- Mr. Takahashi inquired about GVB incentive programs for Haneda. Mr. Denight responded that GVB is still looking into this for the travel agents and may consider airline incentives as well. Mr. Takahashi commented it could stimulate more flights out of Haneda. Chairman Morinaga then asked Mr. Takahashi to come up with a proposal that he feels would motivate the airlines to fly out of Haneda however, Mr. Takahashi stated that the airlines need the travel agents commitment and that the travel agents should continue to be encouraged.
- Mr. Nakajima commented that Japan just had a national holiday, "Respect for the Aged" day. Twenty-five percent of the population consists of the elderly, aged 65 and above that makes up a big market for seniors. Such seniors are also influential in the younger generations decision and many times sponsor their family trips. This is a market that GVB should continue to focus on this market.
- GVB Board Chairman Mr. Baldyga advised he attended today's JMC mainly to see how the Board can assist to reverse penetration declines. The BOD will ratify the FY2015 budget and although the legislature reduced GVB's overall budget request, JMC request for \$7 million will be granted.
- Mr. Baldyga commented that GVB is putting a lot of money into capital improvement but still early to see the results but questioned if the Premium Guam Campaign and raising yield is affecting the penetration.
- Mr. Nakajima commented there is other factors in Japan that is affecting market share. For example, the population is decreasing; in the past four years passport issuance has also decreased that indicate interest in traveling abroad is declining. Japanese outbound is down 3% and market share is down 10%. The Japanese are also focusing on inbound travel with the development of new products and improving their destination.
- Mr. Denight said he found out some interesting information about agents that sell to higher spending customers who purchase higher priced packages have been experiencing higher yield with very little effect on volume but those that continue to sell value packages are facing difficulties with 30-40% down in their sales volume.
- Upon much discussion Mr. Baldyga presented the following tasks to study Guam's competition:
 - Metrics for outbound market segmentation or penetration by segment
 - Travel metrics from JGTC
 - Consumer polls on their perception about Okinawa and Guam
 - Seat capacity data for Guam, Okinawa and Hawaii for the past 2 years
- Mr. Baldyga commented that Tourism 2020 sets goals to increase length of stay to drive spend however, that may be difficult to attain and offered for further consideration if GVB should then focus on promoting attractions. He further commented that the option tour industry appears to be under represented. This might be an opportunity for Guam to promote its unique attractions as it services a lot of different components that will continue to drive spend.
- It was generally agreed that Guam has to do a better job at communicating and updating its attractions and events. Suggestions such as offering more familiarization tours not only with the Japanese travel agents to learn about Guam but also offer FAM tours for the local tour operators to become familiar with Guam's offerings that would make for better service and quicker response for tourist inquiries.
- GVB has taken steps to communicate attractions with its "Time Out" 50 things you can do only on Guam collateral. This distribution is also being tailored for other market segments such as families and seniors.
- Chairman Morinaga thanked everyone for their contribution in today's discussions and ended with his final notes:
 - It is believed that flights out of Haneda to Guam will increase its market share. Guam will need to continue efforts to work with the travel agents and the airlines for this push. Will

include in the next JMC meeting discussion about airline incentives to include Guam's airport authority input.

- Will pursue for more intel on Okinawa so that the Japan market can move forward in its strategic planning
- To improve on the service industry, GVB is looking into the tourist academy as well as the Hafa Adai Pledge to expand on commitment for better service.

No further discussion.

ADJOURNMENT

Moved by Mr. Nakajima seconded by Mr. Takahasi, to adjourn the meeting at 11:30 a.m.

Minutes prepared by:

Elaine Pangelinan, Marketing Officer I

Minutes approved by:

Nadine Leon Guerrero, GVB Marketing Officer II