



BOARD OF DIRECTORS REGULAR MEETING

Thursday, April 9, 2015 - 4:00 p.m.

Guam Visitors Bureau- Main Conference Room

BOARD of DIRECTORS PRESENT:

Chairman Mark Baldyga

Director Katarina Sgro

Director Milton Morinaga

Director Clifford Guzman

Director Bart Jackson

Director Robert Hofmann

Director Sam Shinohara

Director Norio Nakajima

BOARD of DIRECTORS ABSENT:

Vice Chairman Bruce Kloppenburg - Off-island

Director Theresa Arriola - Off-island

Director Eduardo "Champ" Calvo - Off-island

Director Hong Soon Im - Off-island

GVB MANAGEMENT & STAFF PRESENT:

Colleen Cabedo

Chris Lizama

Dee Hernandez

Brian Borja

Doris Ada

Telo Taitague

Gina Kono

Dara Roberto

Nic Yasuhiro

June Sugawara

Kraig Camacho

Steve Dierking

Lisa Linek

Nadine Leon Guerrero

Felix Reyes

Ana Cid

Haven Torres

Antonio Muna

Josh Tyquiengco

GUESTS:

I. CALL TO ORDER

Chairman Baldyga called the meeting of the board to order at 4:25pm.

IV. MINUTES OF THE PREVIOUS MEETING

EXHIBIT A/EXHIBIT B

Chairman Baldyga made a motion, seconded by Director Jackson, to approve the minutes of the previous Board of Directors meeting dated February 26, 2015. **Motion Unanimously Approved. (Subject to minor revisions)**

Chairman Baldyga made a motion, seconded by Director Jackson, to approve the minutes of the previous Board of Directors meeting dated March 12, 2015. **Motion Unanimously Approved. (Subject to minor revisions)**

V. CHAIRMAN'S REPORT

Chairman Baldyga talked about the discussion regarding the 2 bus shelter options. Option 1: To fast track and sign it away with GEDA and let them use an existing contractor. Option 2: To do an RFP. He noted

Management was directed to put together the RFP and issue immediately for the design of the bus shelters for specifications, installations, requirements and so forth. He'd added that he'd like it back and ordered within a month's time and then they would reconvene the task force.

Chairman Baldyga thanked the people behind the GIM for the great promotion and presence.

Chairman Baldyga reported having a productive trip to Seoul. The core bullets from the Korea trip:

- Met with Korean Airlines for potential PATA sponsorship (unfortunately they are no longer PATA members but they may look at it)
- Met with hotels interested in potentially coming to Guam
- The Governor went to a major league stadium and threw out the first pitch. They featured a big video about Guam on the jumbotron. The link between Korean major league baseball should yield nice results
- Spoke with the Governor about GVB related matters such as the million dollars for Customs. Governor suggested he meet with financial advisor to discuss. They also talked about the idea of the Hagatna Restoration approach to the Tumon Master Plan.
- He also spoke with the Governor about 5 year Cap X budget for 5 year Strat-Plan with 3-4 million per year targeted from the TAF. A high priority detailed list of what they would do with 3-4 million a year for 5 consecutive years- put in the form of a bill that would say any excess in the TAF beyond what was budgeted, shall be set aside for that.
- Chairman Baldyga said that The Governor brought up his concern about the Japan Market.
- Chairman Baldyga noted that The Governor brought up how much he liked the Docomo Pacific Commercial and that GVB should look into doing something with similar concept. Director Shinohara added that he met with Jessica Peterson- she has a pitch for GVB and he suggested giving her an audience with JMC. She's putting together promotional material focused on cultural awareness.

Chairman Baldyga noted that it warranted the discussion of a creation of a video that cuts across markets. Something sexy, fun and exciting that makes people want to go to Guam. He added that this would be something to look at as well as a photo library of images that could be used by members available online.

Chairman Baldyga concluded his report and noted that Director Shinohara needed to leave which put them in a lack of quorum. He said he's like to go into recess and continue with an informal meeting of the Board providing committee updates, and would reconvene in one week.

VI. GENERAL MANAGER'S REPORT

HÅFA ADAI !

GUAM
VISITORS
BUREAU

BOARD OF DIRECTORS MEETING
Acting General Manager Telo Taitague
April 09, 2015

PRELIMINARY Visitor Arrivals
CYTD 2015 (January 2015 - March 2015)
Total: 376,915 (3.2%)

% Market Mix	Origin	Pax	% to LY
60.2%	Japan	226,899	-4.3%
26.0%	Korea	97,956	33.3%
4.9%	US/Hawaii	18,283	12.4%
2.8%	Taiwan	10,657	-11.4%
2.0%	China	7,698	61.4%
0.3%	Russia	1,094	-79.7%

PRELIMINARY Visitor Arrivals
MARCH 2015
Total: 132,334 (0.8%)

% Market Mix	Origin	Pax	% to LY
66.3%	Japan	87,735	-5.4%
20.7%	Korea	27,434	27.0%
5.1%	US/Hawaii	6,767	17.5%
2.5%	Taiwan	3,279	1.2%
1.1%	China	1,443	129.8%
0.2%	Russia	254	-85.8%

PRELIMINARY Visitor Arrivals
FYTD 2015 (October 2014 - March 2015)
Total: 706,859 (1.9%)

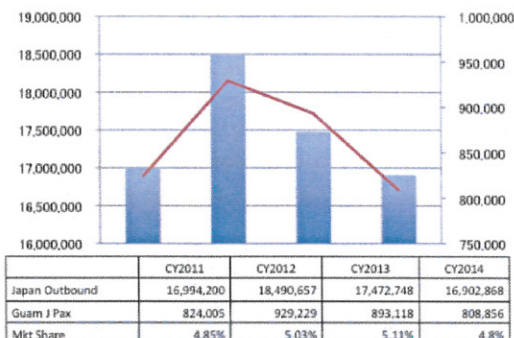
% Market Mix	Origin	Pax	% to LY
59.7%	Japan	421,951	-5.6%
25.6%	Korea	180,643	27.6%
4.9%	US/Hawaii	34,709	15.4%
2.8%	Taiwan	19,793	-13.7%
1.7%	China	12,234	61.6%
0.3%	Russia	2,399	-72.4%

PRELIMINARY MTD Visitor Arrivals
April 1 - 7, 2015
Total: 23,754 (-4.7%)

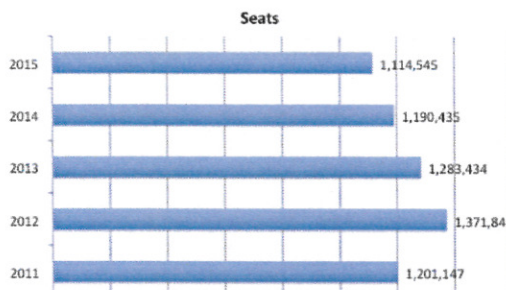
% Market Mix	Origin	Pax	% to LY
58.1%	Japan	13,812	-12.1%
26.5%	Korea	6,292	9.8%
5.1%	US/Hawaii	1,206	-4.1%
3.2%	Taiwan	755	17.4%
1.1%	China	252	51.8%
0.1%	Russia	27	-92.4%

Japan FY2015
Supplemental Promotion
April 2015

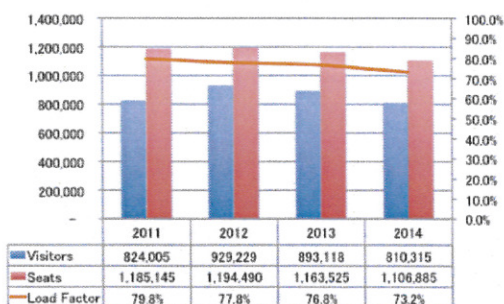
Japan Outbound



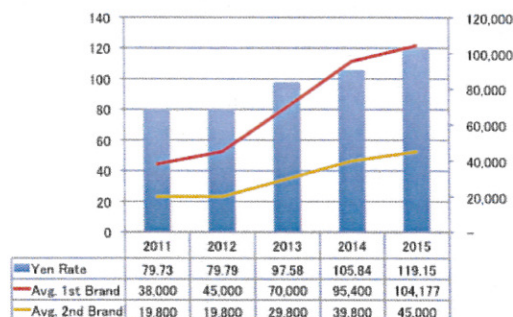
Overall Japan Seat Capacity



Seat Capacity Kanto, Chubu and Kansai

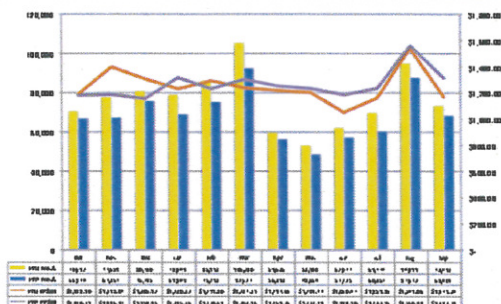


Yen Rate/Guam 1st Brand Package Price



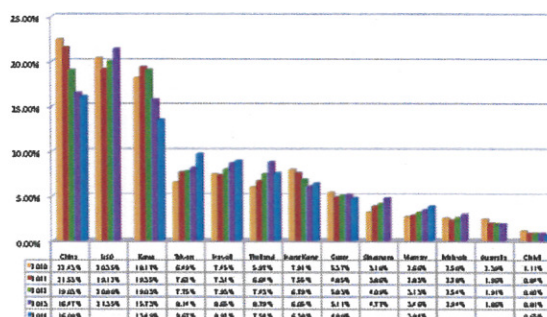
On-Island Spend US\$

FY14 On Island Spend: \$488.15



Total spend x Arrivals = YOY -1.4%

Japan Market Share by Destination

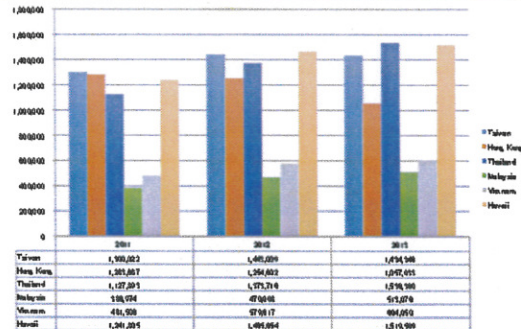


Key Destination Package Tour Prices

	Guam	Hawaii	Okinawa
Look JTB / ACE JTB(Domestic)	\$118,800	\$192,960	\$56,760
	4 days, Onward	5 days, Pacific Beach Hotel	4days, Okinawa Beach Resort Ocean Spa Karipushi
	\$114,800	\$111,960	\$44,040
MES Clio	4 days, Garden Villa	5 days, Hotel Renow by Aston	4days, Hotel Monterey Okinawa
	\$96,000	\$139,800	\$46,800
KNT Holiday	4 days, Guam Plaza	5 days, Hyatt Regency Waikiki	4days, Hotel Nikko Aulale
	\$100,920	\$175,830	\$43,920
NTA Best	4 days, Onward	5 days, Hyatt Regency Waikiki	4days, Hotel Monterey Okinawa
R&C	\$96,000	—	—
JA Holidays	4days, Holiday Resort	—	—
R&C	\$114,960	\$155,040	—
DL Vacations	4 days, PG2	5 days, Okawa Waikiki Marina	—
	\$107,760	\$159,840	\$59,760
JAL JALPAK	4 days, PG2	5 days, Hyatt Regency Waikiki	4 days, Sun Marina

*Major Package Brand (January - March 2015); minimum prices among each pamphlet
*Hawaii discount specials announced: \$100+ than Guam

Haneda Short Haul Destinations



Haneda Flights per week

As of Jan. 2015

Destinations	No. of flights per week
Hong Kong	45
Taiwan	56
Thailand	42
Malaysia	7
Vietnam	21
Hawaii	21

Source: Haneda Airport

What Is GVB Doing?

Sales

- JGTA Group Campaign Support: Group ↑ YOY +8.6%
- JGTC Brochure support: Premium Guam section in main brochures
- Co-op Advertising: Invested \$135,000 received \$648,123 in exposure

PR

- Current FY \$160,000 with \$34M in PR value as of Feb

Advertising

- 2013 launched Premium Guam with subway campaign
- 2014 greater push for Premium Guam – increased yield, overall spend relatively flat despite decrease in pax
- 2015 Kanto TVCM Campaign

Rationale

- Run of TVCM completed
- Seen improvement with campaign launched in the beginning of FY
- Hawaii and Okinawa launching new aggressive promotions
- Yen continues to erode
- Shorter booking period
- Increased competition from countries with weaker currency
- Fighting domestic travel trend
- Need additional push to keep Guam top of mind
- Need new creatives with strong tactical message versus image building

Results of Kanto TVCM

- GVB Conducted Independent In-Country Research
- TVCM in Kanto only
 - Conclusions
 - Overall level of awareness of advertising was high
 - Awareness of Guam ads higher than Hawaii
 - "Traffic" ad achieved highest penetration with an average 40% across 3 market segments
 - Intention to visit Guam increased after watching TVCM
 - Need greater push for "50 Things to Do", unique attributes and proximity

Summary of Findings

Traffic version achieved the highest penetration.

- The awareness and estimated penetration of each TV commercial are as follows.
- The Traffic version achieved the highest awareness and penetration levels.

TV Commercial	Target	Population	Awareness	Estimated Penetration
Office meeting	Aged 20s, working female	1.45 million	18.6%	30%
Family	Those who have elementary school kids	1.18 million	26.7%	21%
Traffic	Male and female, aged 55-74	10.70 million	36.0%	3,852K

The Traffic version elicited the highest level of preference.

- Overall, the Traffic version received an average preference score of 40%, which was highest among the three TV commercials.
- By segment, respondents in each target group prefer the TV commercial most relevant to them: for OL the Office Meeting Version, for Family the Family version, and for Senior the Traffic version.

Preference of TV Commercial (%)



By Segment

TV Commercial	OL (n=500)	Family (n=500)	Senior (n=500)
Office Meeting version	59.8	25.4	22.5
Family version	14.0	48.6	15.0
Traffic Version	25.8	21.0	61.8

2nd Ind. Study on TVCM performance

Traffic version was ranked top among travel related commercials in Oct. – Nov. in terms of CM favorability.
◇ 283 place among total 3,319 CMs

Rank	Date	CMF	Ranking among all	Company	Comments
1	4-Nov-14	624	283	GHI	Tourism promotion
2	4-Nov-14	512	488	China	Tourism promotion
3	4-Nov-14	85	601	LJTB	Bureau casual
4	4-Nov-14	76		Yamaha Prefecture	Tourism promotion
5	4-Nov-14	124		Banana Prefecture	Tourism promotion
6	4-Nov-14	19		H.E.S.	Image up
7	4-Nov-14	14		Japan Govt	Visa service
8	4-Nov-14	76		H.E.S.	Visa promotion
9	4-Nov-14	114		Esperanza Holdings	Esperanza Japan
10	4-Nov-14	2		Tokyo City Tourism Agency	Tourism promotion
11	4-Nov-14	874		H.E.S.	36h anniversary sale

Data Source: CM Data Bank

Japan Visitor Arrivals – Turning The Tide

- Increase in Kanto Arrivals in Month After TVCM Flights aired
- I.e. Nov +2.0% after Oct 25 – Nov 3 TVCM airing

Month	Overall	Kanto	Comment
Oct	-9.3%	-9.8%	1 st TVCM flight Oct 25 – Nov 3
Nov	-3.6%	+2.0%	
Dec	-8.3%	-6.0%	2 nd flight Dec 29-Jan 4 (9-day Oshogatsu period)
Jan	-6.0%	-1.3%	
Feb	-1.5%	-1.5%	3 rd flight Feb 14 – 22
Mar	-5.4%	-7.0%	

Do not miss the chance of recovery

- Since 2009 when Lehman shock hit Japan, salary base-up and the bonus among big corporations increased to its highest in 2015.
- Even average increase for all corporations: Middle and small sized companies show 1.7% up, a record hike in 10 years

Wage and bonus from Apr 2015

	Base up	Yearly Bonus
	JPY	(x monthly salary)
Toyota	50,000	6.5
Nissan	50,000	5.6
Honda	3,000	5.9
Mitsubishi	20,000	5.6
Nissan	20,000	5.7
Bridgestone	3,000	5.6
HTT Rooms	1,800	5.7
JR Kyushu	5,800	5.3

Source: Nikkei

Proposal

- Aggressive Summer Campaign
 - Promote "Guam is closest U.S. vacation"
 - Many things to do "Only on Guam"
 - Strong agent tie-in to generate package sales
 - Generate consumer interest
- TV commercial campaign to generate travel agent sales
 - Where: Kanto (Tokyo), 50% of arrivals
 - When: Early June (Stimulate summer travel)
 - What: Include key points mentioned above in interesting way
 - Call to action: Visit JGTC travel agents to get your "50 things you can only do on Guam" brochure
 - Goal: Distribute 200K brochures

Expected Results

17,168 incremental visitors are expected for the Summer season

	Jul		Aug		Sep		Oct		4 months total	
Year	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
Guests/visitors	17,421	20,724	93,949	48,902	79,793	34,982	32,822	28,889	603,081	623,367
YOY (%)										
Kanto	-17.9%		-9.3%		-17.7%		-9.8%		-13.3%	
All Japan	-13.5%		-7.9%		-6.9%		-9.3%		-10.3%	
	Nov		Dec		Jan		Feb		4 months total	
Year	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
Guests/visitors	29,289	29,240	31,947	30,498	29,492	34,802	34,269	38,041	123,691	123,691
YOY (%)										
Kanto	2.0%		-5.2%		-2.6%		-1.6%		-2.1%	
All Japan	-3.6%		-8.4%		-7.3%		-1.6%		-4.1%	

Conditions and assumption:

- TV Spot with \$600,000 placed in Kanto at end of Oct. 2014
- Supposing TV spot effect continues in the following 4 months
- 10.2% up is seen before and after TV spot campaign
- Considering \$100,000 budget size up, economy growth, TA supports.
- 12.0% up is expected.
- Applying this increase ratio onto 2014 summer figures (143,067 pax) =>
- 17,168 incremental pax is expected against previous summer.
- Cost per pax = \$700,000 / 17,168 pax = \$40.7

Preseason	Summer total	2014	2015	increase
143,067	160,235	17,168	17,168	12.0%

Cost

- Kanto TVC Media Buy Cost: \$700K
- Production costs: \$600K
 - Includes TVC production, printing/distribution of maps, point of purchase materials, other related costs

Korea Marketing News

3 month Forecast

Month	Forecast Pax	Last Year	%Change	Seat Forecast '15	Seat Data '14	% Change Seats
March	28,500	21,000	31.9%	38,420	31,342	22.6%
April	30,000	23,633	26.9%	37,389	29,894	27.1%
May	30,000	23,640	26.9%	39,397	31,565	24.8%

March

-KE: Incheon 7 segments = 18,228 (8777-200)
 -Busan/KE: Wed, Th, Sa, Su = 2,484 (8777-40)
 -Jin Air: Incheon 7 segments = 5,848 (8777-400)
 -J2: Incheon 7 segments = 1,777-200 (8777-400)
 -Jin Air: Incheon 16 segments = 11,548 (8777-400)
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Total 38,420

April

-KE: Incheon 7 segments = 18,858 (8777-200)
 -Busan/KE: Wed, Th, Sa, Su = 2,484 (8777-40)
 -Jin Air: Incheon 7 segments = 5,848 (8777-400)
 -J2: Incheon 7 segments = 1,777-200 (8777-400)
 -Jin Air: Incheon 16 segments = 11,548 (8777-400)
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Total 37,389

May

-KE: Incheon 7 segments = 11,215 (8777-200)
 -Busan/KE: Wed, Th, Sa, Su = 2,484 (8777-40)
 -Jin Air: Incheon 7 segments = 5,848 (8777-400)
 -J2: Incheon 7 segments = 1,777-200 (8777-400)
 -Jin Air: Incheon 16 segments = 11,548 (8777-400)
 -Jin Air: Incheon 16 segments = 11,548 (8777-400)

Total 39,397

Korea Marketing News

T'way Air - Launching date : July 21, 2015

- Tentative Schedule (Daily operation)
 - TW301, ICN/GUM, 2000L/0120L+1
 - TW302, GUM/ICN, 0230L+1/0625L+1
 - Aircraft Type : Boeing 737-800NG with winglets
 - Seat Capacity : Y189/Y186 (All economy)
- About T'way Air
 - Currently operating four domestic routes
 - Ten international routes
 - Utilizing nine aircraft of Boeing 737-800, three more B737-800 will be added.
 - Current Int'l routes : BKK, FUK, TSA, HSG, CTS, OIT, OKA, TNA, HAK, NNG
 - New Int'l routes planned this year : KIX, PVG, VTE, GUM, TSN, HKG, INC

Korea Marketing News

3 month Activities/Programs

- TV Home-shopping
 - Mar : Onnuri, KRT, YB
 - Apr : Hanjin, Hana, Lottejt
 - May : Redcap
 - On cable TV for an 1 hour
- MICE Group
 - Mar : Sungham Foreign Language Middle school - 140 pax (New)
 - RIOT Games - 130 pax (New), Loreal - 450pax, Froebel - 400pax (New)
 - Apr : S-Oil - 140 pax (New), Hana SK Card - 400 pax, GM Korea - 70 pax (New)

WCI Weekly List

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2015	940	1,491											2,431
2014	590	850	1,370	3,900	1,100	1,135	1,835	2,451	3,115	2,760	3,045	4,215	38,696

Korea Marketing News

3 month Activities/Programs

- Sales contest with KE, Jin Air, Jeju Air on Mar.
- Busan TAs Study Tour with Jeju Air on Apr. 18
- TAs Fam Tour with UA on Mar. 12,13
- Yeobaekhoe Fam Tour on Apr. 9
- Jeju Air Busan schedule flight from Apr. 2
 - 4 times per week (Wed, Thu, Sat, Sun)
- Daegu wedding planners study tour on Mar. 30

Korea Marketing News

Busan Hana - TV Advertisement, 30 seconds
 - Aired on Feb 1 - 28 (100 times), KNN local TV channel
 - Media exposure value : USD 450,000



Korea Marketing News

Golf Tournament - Benjefe Golf (March 5-9)

- ROI: USD 36,000



Korea Marketing News

Hana Tour Traveller Magazine

- Media exposure value : USD 14,000



Korea Marketing News

Governor's Trade Mission
April 6-8, 2015

Governor Calvo was invited by the Korea Professional Baseball League to throw the first pitch of the season.



North America Marketing News

Chamorro Cultural Festival
March 28, 2015 | San Marcos, California

- GVB was the main sponsor of the largest Chamorro Festival hosted by the CHE'LU Organization.
- Southern Californians had unique opportunity to experience Chamorro culture and dance.
- Event welcomed over 4,000 visitors at the California State University, San Marcos campus.
- GVB conducted a Guam Product Seminar at the venue to update/educate visitors about Guam, the Guam Chamorro Dance Academy, and United promo with Mystical Tours & Adventure.



North America Marketing News

Chamorro Cultural Festival
March 28, 2015 | San Marcos, California

- Guam featured in over 30 TV and radio, blogs, and news segments such as CW XETV, KUSI San Diego Union Tribune, San Diego County News, and more.



China Marketing News

Guam USA Holiday Campaign

- Support airlines and provide a coherent voice for the Guam USA Holiday travel product in China
- Enrollment on-going
- Deadline to respond is April 10, 2015

China Sales Mission

- Update travel agents on Guam product
- Introduce Guam product to new travel agents
- Bring Guam industry partners to China travel trade
- Establish and build business relationships
- Shanghai: April 17th
- Beijing: April 20th
- Chengdu: April 22nd



North America Marketing News

Social Media Marketing World
March 26-27, 2015 | San Diego, CA



World's largest social media marketing conference offered the opportunity to make connections with 100+ key note speakers (plus 2,500 social media professionals). GVB was able to access to recordings of every session and presentations to utilize for a year.

PATA Southern California Chapter Meeting
March 29, 2015 | Los Angeles, CA



GVB met with PATA Southern California Chapter Executives, Bernhard Clever and Klaus Billep to discuss Guam promotions and our upcoming signature event with FESTPAC 2016.

China Marketing News

Brand USA Training Seminar
March 31, 2015

Venue: Grand Millennium Beijing Hotel

- Introduce Guam, the closet US destination to Beijing travel trade
- Introduce upcoming China Sales Mission
- Answer questions from travel trade



China Marketing News

GVB Guangzhou: Guam Destination Seminar

March 6, 2015

- 70 travel agencies in Guangzhou city participating in Guam seminar
- 15 media (print & online) were on site for interviews
- Guam presentation conducted in Chinese by GVB Guangzhou Trade Manager
- United Guangzhou delivered a presentation about air service products, focus on Guam



China Marketing News

Guangzhou International Travel Fair (GITE)

March 6-8, 2015

- 140+ local travel agencies visited the Guam booth.
- Outbound travel agencies in Guangdong province.
- About 26 media, including print and website/radio in area were on site for interviews
- Guangzhou TV did a 5 minute feature of GVB to introduce Guam
- United Guangzhou sponsored 2 purse wallets and 1 model aircraft for the lucky draw at the Guam destination seminar



Taiwan Marketing News

Guam International Marathon

- Promotion of GIM on media/trade events including press conference, trade gathering and Spring travel fair
- Lead a GIM Media Fam tour: partner with celebrity runner Ingrid, famous blogger Danny, and Sports TV channel Videoland
- XTERRA Guam Championship will also be covered



Taiwan Marketing News

The 9th International Spring Travel Fair (STF)

- STF was held March 26th to 29th with 7 local trade partners and 1 Guam tourism partner, Guam Reef & Olive Spa Resort



Hong Kong Marketing News

Joint Promotion with Wincastle, ESDLife and UA- Guam Wedding Inspection Tour (February 2015)

- 15 pair couples joined this inspection tour.
- Ad banners at ESDLife.com
- Email promotion
- Facebook promotion
- Special wedding inspection package developed with only HK\$3,999 (US \$520)



Hong Kong Marketing News

Joint Promotion with Wedding Centre at Wedding Expo (March 2015)

- 14 pair couples paid deposit on spot to Guam
- Backdrop with Jewel by the Sea
- Foam board of Aqua Stella Chapel
- Facebook promotion
- Single flyer promotion of various wedding chapels
- Special wedding package developed with only HK\$19,888 (US\$2,560)



Hong Kong Marketing News

Incentive Promotion for TA & Joint Promotion with United April 1 – July 10, 2015

- Objective: Target incremental growth during the period from 1 April – 10 July comparing with sales figure of last year
- Travel Agents involved: Travel Resources, Westminster, Wing On, Hong Thai, Jensen Holiday, Wincastle and Travel Expert
- Target Additional Arrival: 440-893 pax
- Promotion Tools: Joint advertisement with TA (over 60 spots), Facebook Promotion, Email marketing
- Target Festivals/Events: Guam Micronesia Island Fairs, Guam LIVE Music Festival, Guam BBQ Block Party
- United's Contribution: Special Fare for TA who joined this campaign, US\$40-100 discount/ticket (different classes)



Sports & Events

XTERRA Guam: April 11, 2015 @ Port Authority Beach
- Press Conference held today at Sheraton Laguna Guam

Guam International Marathon: April 12, 2015 @ Governor Joseph Flores Memorial (Ypao Beach) Park
- GIM Expo Ribbon Cutting 12 noon at PIC tomorrow
- Packet Pick up and Expo is tomorrow 4/10 from 12pm - 7pm and Saturday 4/11 9am - 5pm



VII. TREASURER'S REPORT

VIII. REPORT OF THE BOARD COMMITTEES

A. EXECUTIVE COMMITTEE

Chairman Baldyga noted they did not have to read the motions verbatim since they are in the form of printed minutes.

COPIER LEASE AND MAINTENANCE AGREEMENT

Chairman Baldyga made motion, seconded by Director Jackson to ratify Executive Committee's approval for the authorization of the General Manager as Chief Procurement Officer to enter into a contract with the lowest responsible bidder of GVB IFB #2015-007, COPIER LEASE AND MAINTENANCE AGREEMENT.

Motion Approved

Background: On March 9, 2015, GVB issued Invitation for Bid No. 2015-007 Copier Lease and Maintenance Agreement for the two copiers servicing Administration and Marketing operations.

Issue: Board approval required.

Friendship Signing Agreement Sado-Shima Island Toki Marathon

Chairman Baldyga made a motion, seconded by Director Jackson to ratify Executive Committee's approval for a (3) person delegation to travel to Sado Island Niigata, Japan to continue Friendship Signing Agreement and activities associated with the Sado-Shima Island Toki Marathon from April 24-27, 2015. Account number ESP001 (Estimated cost of travel: \$6,386.00)

Motion Approved

Background: The Guam Visitors Bureau shares a Sister-Race Agreement between Sado-Shima Island Marathon (Toki Bird) and Guam Ko'ko Road Race (Ko'ko Bird) that initiated on April 7, 2013. The Guam Ko'ko Road Race and Sado Shima Toki Marathon agreement is now on its 3rd year and the Bureau would like to continue to honor this agreement to encourage better relations; enhance stronger sports tourism through the mutual promotion of both races. Please note that each year a 5-7 person delegation from Sado-Shima Island has been attending the Ko'ko' Road Race as part of the agreement.

Cost estimate:

Airfare: (1) Management, (1) GVB Staff, (1) Miss Guam	\$1000	X 3 pax	\$3,000
Per Diem (Meals & Incidental Expenses only)	\$172.00		
GVB Management per diem	+25%	x 4 days	\$860.00
GVB Staff per diem	\$172.00	x 4 days	\$688.00
Miss Guam per diem	\$172.00	x 4 days	\$688.00
Miss Guam Honorarium	\$100.00	x 2 days	\$200.00
Miscellaneous:			
Car Rental ¥40,000 (¥10,000 x 4 days)	\$125.00	x 4 days	\$500.00
Gasoline	\$50.00	x 4 days	\$200.00
Gifts	\$250.00		\$250.00
TOTAL			\$6,386.00

Issue: Board approval required for travel

Discussion/Comments:

- o Director Shinohara questioned the benefit of the Sister Signing Agreement. Nadine explained that as a sister marathon, Guam's promotional materials are distributed at their event. Director Shinohara asked how they track the benefits and how many people from there actually come to Guam races. Nadine said that it builds awareness for the Ko'ko and GIM and that she did not have the exact number available but it's around 50-60 per year.
- o Chairman Baldyga asked what the on-island spending was per person. Nadine said it's \$500 per person.

Toyohiragawa Marathon Activities Sapporo

Chairman Baldyga made a motion, seconded by Director Jackson to ratify Executive Committee's approval for a (6) person delegation to travel to Sapporo, Japan to participate in the activities associated with the Toyohiragawa Marathon from May 4-6, 2015. Account number ESP001 (Estimated cost of travel: \$7,339.00)

Motion Approved

Background: A Sisterhood Race Agreement was signed May 3, 2011 with the Guam Visitors Bureau and the Hokkaido Track and Field Association to encourage better relations, stronger sports tourism through the Toyohiragawa River Marathon and the Guam Ko'ko Road Race. The sisterhood race agreement summarized the arrangements necessary for both race events', which includes commitment to attend the Toyohira River Marathon and Guam Ko'ko Road Race for both parties. Hotel accommodations are being provided for the Guam delegation in Sapporo courtesy of Nikkan Sports. Airfare for (2) pax is complimentary via United Sponsorship agreement as an official sponsor of the Guam Ko'ko Road Race in 2014.

Cost Estimate:

Airfare: Airport taxes and airline fees only			
Airfare: (1) BOD/Sports Chairperson, (1) GVB	\$100.00	x 2 pax	\$200.00
Management, (1) Miss Guam, (1) GVB Staff	\$1,000.00	x 4 pax	\$4,000.00
Per Diem			
(Meals & Incidental Expenses only)			
	\$102.00 +		
GVB BOD/Sports Chairperson per diem	25%	x 3 days	\$382.50
	\$102.00 +		
GVB Management	25%	x 3 days	\$382.50
GVB Staff	\$102.00	x 3 days	\$306.00
Miss Guam	\$102.00	x 3 days	\$306.00
Miss Guam Honorarium	\$100.00	x 2 days	\$200.00
Runner (1) Top Local male	\$102.00	x 3 days	\$306.00
Runner (2) Top Local female	\$102.00	x 3 days	\$306.00
Miscellaneous:			
Car Rental ¥40,000 (¥10,000 x 4 days)	\$125.00	x 4 days	\$500.00
Gasoline	\$50.00	x 4 days	\$200.00
Gifts	\$250.00		\$250.00
TOTAL			\$7,339.00

Issue: Board approval required for all travel.

Discussion/Comments:

- o Director Shinohara asked if they needed to send so many people to these events. Nadine said the role of Miss Guam as part of the opening and awards ceremony, there's also (1) management, (1) GVB staff, the Chairperson of Sports and Events, and the two other people going are winner's from last year's Ko'ko and are only given per diem.
- o Chairman Baldyga noted that since Director Sgro would be attending, by way of disclosure she would be voting and attending but that it was legitimate and just for clarity.
- o Chairman Baldyga made a request that as they prepare the budget, he'd like to see a budget for the year by events- for the number of people attending so that as a Board they could look holistically at the year's worth of travel rather than committee by committee. He added that he'd like to see a consolidated version for the years worth of travel, subtotaled by committee. Nadine noted that it's actually part of their budget documents- each market and each section does it.

Greater China Motion – China Market

Chairman Baldyga made a motion, seconded by Director Shinohara to ratify Executive Committee's approval of the Marketing Manager and two (2) marketing staff to travel to the cities of Shanghai, Beijing and Chengdu, China to execute the department's China Sales Mission from April 16-23, 2015. Estimated cost of travel is \$16,942.00 from account CI-SMD-023.

Motion Approved

Air Fare:	GUM/SHANGHAI/BEIJING/CHENGDU/SHANGHAI (\$3,000.00 x 2 pax)	\$ 6,000.00
	GUM/SHANGHAI/BEIJING/CHENGDU/GUAM (\$3,000.00 x 1 pax)	\$3,000.00
Per Diem:	<u>April 16-18</u>	
	Shanghai Lodging: \$237.00 x 3 nights x 3 pax	\$2,133.00
	Shanghai M&IE: \$93.00 x 3 days x 3 pax	\$837.00
	<u>April 19-20</u>	
	Beijing Lodging: \$258.00 x 2 nights x 3 pax	\$1,548.00
	Beijing M&IE: \$119.00 x 2 days x 3 pax	\$714.00
	<u>April 21-23</u>	
	Chengdu Lodging: \$153.00 x 2 nights x 3 pax	\$918.00
	Chengdu M&IE: \$88.00 x 3 days x 3 pax	\$792.00
Misc Expenses:	Excess baggage fees/business communication	\$1,000.00
TOTAL:		\$16,942.00

Background: The GVB China Sales Mission is designed to enhance the networking and business ties between Guam industry and the travel trade in China.

Through a series of face-to-face meetings held in three cities – Shanghai, Beijing and Chengdu – GVB and industry partners participating will meet with Chinese travel trade who are currently selling Guam products or have a strong potential to sell Guam products in China.

The in-depth face-to-face meetings will provide the opportunity to: (1) Strengthen Guam's visibility and awareness among travel trade partners for future outbound travel to Guam; (2) Offer valuable face time for businesses with key decision makers from the travel trade in China; (3) Educate Chinese travel trade frontline staff on Guam products; (4) Engage with and learn about the Chinese travel trade through in-depth one-to-one meetings and networking events.

Due to the aggressive nature of this overseas mission, full staff participation from the Greater China Market is needed to engage with travel trade representatives as well as to provide other logistical and promotional support.

Issue

Board approval required for travel.

GOVERNOR'S SEOUL-SHENYANG TRADE MISSION

Director Shinohara made a motion, seconded by Director Guzman to ratify Executive Committee's approval for the travel of the KMC Chairman, KMC Vice Chairman, and GVB General Manager to attend the Incheon Sister City Signing, Guam Investment Seminar, and meetings with potential industry partners in Seoul, South Korea from April 6-8, 2015. GVB General Manager to also travel to Shenyang, China from April 9-12, 2015 to escort the Governor for meetings with potential investors. Cost is approximately \$10,568.75 (\$7,410.00 from account KO-SMD023 and \$3,158.75 from account CI-SMD023).

Motion Approved

Korea Airfare (\$900 x 2pax)	\$1,800.00
Per Diem – Seoul Lodging (\$230/night x 4nights x 3pax + 25%)	\$3,450.00
Per Diem – Seoul M&IE (\$144/day x 4days x 3pax + 25%)	\$2,160.00
GM Airfare (\$1,900 x 1pax)	\$1,900.00
Per Diem Lodging – Shenyang (\$193/night x 3nights x 1pax + 25%)	\$723.75
Per Diem M&IE – Shenyang (\$107/day x 4days x 1pax + 25%)	\$535.00
Total	\$10,568.75

Background: GVB is supporting the Governor's trade mission in Seoul, South Korea from April 6-8, 2015 to partake in the Incheon Sister City Signing and the Guam Investment Seminar, which will be presented to 120-150 Korean investors. GVB's Korea Office will be coordinating meetings with Korean industry partners.

Issue: Board approval required for travel.

Director Shinohara made a motion, seconded by Director Jackson to ratify Executive Committee's approval for the travel of the GVB Chairman to replace the GVB General Manager and attend the Governor's Trade Mission in Seoul, South Korea from April 6-8, 2015.

Motion Approved

Background: GVB is supporting the Governor's trade mission in Seoul, South Korea from April 6-8, 2015 to partake in the Incheon Sister City Signing and the Guam Investment Seminar, which will be presented to 120-150 Korean investors. GVB's Korea Office will be coordinating meetings with Korean industry partners.

The GVB Board approved the travel and per diem for KMC Chairs, Bartley Jackson and Hong Song Im, as well as GVB General Manager, during the March 12 board meeting; however, GVB General Manager is unable to attend the Governor's trade mission in Korea due to important meetings on island.

No additional funds needed.

Issue: Board approval required for travel

Discussion/Comments:

- Chairman Baldyga noted that for clarity as mentioned the GM's cost was substituted by himself as Chair because Nathan was unable to attend.

B. DESTINATION MANAGEMENT
Committee minutes dated April 2, 2015

EXHIBIT C

C. GREATER CHINA MARKETING
Committee Minutes dated April 3, 2015

EXHIBIT D

GVB China Sales Mission

Director Jackson made a motion, seconded by Director Shinohara to approve travel for Greater China Committee Co-Chairperson to travel to the cities of Shanghai, Beijing and Chengdu, China for GVB's China Sales Mission from April 16-23, 2015. Estimated cost of travel to cover per diem cost is \$2,314.00 to be paid from FY2015 Account# CI-SMD-023.

Motion Approved

Per Diem:	<u>April 16-18</u>	
	Shanghai Lodging: \$237.00 x 3 nights	\$711.00
	Shanghai M&IE: \$93.00 x 3 days	\$279.00
	<u>April 19-20</u>	
	Beijing Lodging: \$258.00 x 2 nights	\$516.00
	Beijing M&IE: \$119.00 x 2 days	\$238.00
	<u>April 21-23</u>	
	Chengdu Lodging: \$153.00 x 2 nights	\$306.00
	Chengdu M&IE: \$88.00 x 3 days	\$264.00
TOTAL:		\$ 2,314.00

Background: The GVB China Sales Mission is designed to enhance the networking and business ties between Guam industry and the travel trade in China. Through a series of face-to-face meetings held in three cities – Shanghai, Beijing and Chengdu – GVB and industry partners participating will meet with Chinese travel trade who are currently selling Guam products or have a strong potential to sell Guam products in China. The in-depth face-to-face meetings will provide the opportunity to: (1) Strengthen Guam's visibility and awareness among travel trade partners for future outbound travel to Guam; (2) Offer valuable face time for businesses with key decision makers from the travel trade in China; (3) Educate Chinese travel trade frontline staff on Guam products; (4) Engage with and learn about the Chinese travel trade through in-depth one-to-one meetings and networking events. It is recommended that committee protocol join the delegation as GVB programming has matured and developed in the China market and the endeavors during the sales mission in these three major cities is critical to its success.

Issue: Board approval required for travel.

SelectUSA Greater China Road Show

Director Jackson made a motion, seconded by Director Guzman to approve travel for one (1) GVB Marketing Staff to attend the 2015 SelectUSA Greater China Roadshow from May 18 - 29, 2015. (Cost is approximately \$12,641.00 to be paid from FY2015 Account# CI-SMD023)

Motion Approved

Background: The SelectUSA Greater China Roadshow is an expansion of the SelectUSA Pearl River Delta roadshow and is the first of its kind targeting Hong Kong, Shenzhen, Dongguan, Guangzhou, Shanghai, and Shenyang. Economic development offices and their partners have the opportunity to meet with potential investors and companies along the Pearl River Delta region and beyond: the heart of China's economic power and the most dynamic area contributing the highest FDI to the United States. The roadshow is designed to provide a real experience to the delegates of witnessing a high demand for investment projects and a maturity of the market to further promote investment into the United States.

Registration:			\$3,000.00
	GVB Marketing Staff (shared cost with GEDA)	\$2,500.00	
	GVB China Marketing Representative	\$500.00	
Air Fare:			\$3,000.00
	ROUNDTRIP: GUM-HONG KONG-GUM	\$1,500.00	
	CHINA DOMESTIC: GUANGZHOU, SHANGHAI, DALIAN, SHENYANG	\$1,500.00	
Per Diem:	GVB Marketing Staff		\$6,141.00
	HK Lodging: \$355 x 3 nights	\$1,065.00	
	HK M&IE: \$180 x 3 days	\$540.00	
	Shenzhen Lodging: \$264 x 2 nights	\$528.00	
	Shenzhen M&IE: \$135 x 1 day	\$135.00	
	Dongguan Lodging: \$152 x 1 night	\$152.00	
	Dongguan M&IE: \$118 x 1 day	\$118.00	
	Guangzhou Lodging: \$243 x 4 nights	\$972.00	
	Guangzhou M&IE: \$164 x 4 days	\$656.00	
	Shanghai Lodging \$237 x 3 nights	\$711.00	
	Shanghai M&IE \$93 x 3 days	\$279.00	
	Hangzhou M&IE: \$111 x 1 day	\$111.00	
	Dalian Lodging: \$166 x 1 night	\$166.00	
	Dalian: M&IE: \$108 x 1 day	\$108.00	
	Shenyang Lodging: \$193 x 2 nights	\$386.00	
	Shenyang M&IE: \$107 x 2 nights	\$214.00	
Miscellaneous:			\$500.00
	Excess Baggage Fees / Business Communication & Meetings	\$500.00	
		TOTAL:	\$12,641.00

The SelectUSA Greater China Roadshow is a Guam Economic Development Authority (GEDA) led-initiative that is aimed to attract potential investors to Guam. GEDA's main objective is to push for hotel and tourism related investment, which is a direct interest of the Guam Visitors Bureau as more hotel and tourism investment is needed to pursue the Tourism 2020 mission of diversifying our tourism market sources. To strengthen this initiative it is requested to have a GVB representative who is knowledgeable of the Greater China Market and GVBs China marketing initiatives to join the delegation.

Issue: Board approval required for travel.

D. JAPAN MARKETING

GVB RESOLUTION NO: 2015-002

EXHIBIT E

Motion to approve GVB Resolution NO: 2015-002 Relative to authorizing the use of the rainy day fund pursuant to 12 GCA §9303 to increase marketing activities in Japan to battle the decline in arrivals due to unforeseen certain external economic conditions.

Motion Moved

Discussion/Comments:

- Chairman Baldyga noted that they just watched a presentation from GM Denight regarding the proposed supplemental marketing campaign with a request for 1.3 million dollars to be used from the rainy day fund. He asked to clarify if they would be expecting an additional 17,000 customers because of the campaign.
- Japan Marketing Office Nadine Leon Guerrero explained the 2 parts to the campaign. \$700,00 for the television commercial and the other part would be working with the travel agents.
- Director Jackson asked Nadine about the impact of the last television ad. He noted that with the last ad, they lost ground and resulted in fewer visitors. He asked why they thought tv ads would be a solution to the problem.
- Nadine explained that they haven't done tv commercials in a few years and they've just started back into the tv media again. She noted that there was a street study done in the October/November period in which they were asked to name 3 tv commercials, to which Guam was on the top of the list. Director Jackson responded that it didn't seem to have any real effect.
- Nadine went on to explain that the ad only ran in Kanto and that it did have an effect. Director Jackson pointed out that it worked for one month, a low month, against a low base. He noted the need to be objective about what tv advertising does, what it has done, and that it's unreasonable to expect that a good tv ad resulted in a 2% increase off a lower base in a shoulder month and that all the other months were down.
- GM Denight noted that Director Jackson made a good point and the call to action needs to be more measurable so they could determine the effectiveness of the spot. He went on to say that it was suggested to push the consumers to take more action- to go the agents and pick up the "50 Things to do in Guam", so they could actually measure how many materials they distribute. The general idea was to have a stronger tie in.
- Chairman Baldyga asked about the extra \$480,000 that was given last year for the subways, He noted that it didn't seem to move anything. Director Morinaga explained that subways in Japan are changing- they are going digital. He said that during these few months, Japan was still skeptical about the economy, yen was weak, union negotiations were going on, etc. He went on to say that now people are starting to get raises and bonuses, people will start thinking about traveling. Also, now is the time that Okinawa and Hawaii will be bombarded with summer travel and that there are other, more exotic destinations.
- Director Jackson asked why the Hawaii market share grew over a period where Guam's didn't. He asked if Hawaii was doing something different such as paying the agents per person. Director Morinaga explained that the size of their budget is to be considered. Also, many Japanese are time-share owners which provides repeat business. But as people go they are not spending as much because they are smarter consumers now.
- Chairman Baldyga noted that because Director Shinohara had to leave by 4:45 and there were motions to get through, he did not want to shortchange the discussion. He said he did not feel comfortable making a decision on a substantial amount of money without having more board members present. Director Morinaga noted that with summer approaching, they would need to make a decision soon because they need to reserve the slot and production takes time.

- Chairman Baldyga noted that Acting GM Taitague requested a supplemental meeting for the budget and it was recommended that they recess the meeting at the end of the day and reconvene a week later to have a budget discussion and at the beginning of the meeting discuss the resolution. He went on to add that it's a lot of money- taking 50% from the rainy day fund in a single promotion which would warrant more than partial attendance of the board.
- Director Shinohara said that in the spirit of transparency it was only half of the equation and that there needed to be a call to action to address the Japan issue. He also said there was a lot of conversation about whether it was the right thing to do and a majority said they needed to have awareness of what everybody was doing. He noted that he did not feel like it closed the loop and solved the problem in it's entirety. Chairman Baldyga added that the 2 million (rainy day fund) was built over a period of many years and the last time they took \$500,000 of it, there was almost no effect.
- Director Jackson noted that the rainy day fund is for special situations and emergencies and clearly 22 months of consecutive decline in Japan market warranted the use of the rainy day fund in some form or another. Chairman Baldyga added that he recently returned from a trip with the Governor who had expressed his concern over what they were doing about Japan.
- GM Denight said that it was a good idea and they didn't want to rush a major proposal. He added that Director Jackson's idea about the direct incentives to the agents would be discussed with the members at the next JMC meeting. Nadine responded that they built the direct incentives into the FY2016 budget.
- Chairman Baldyga made a request to move forward in the interest of time. He thanked the GM, Director Morinaga and Nadine for their input.

Japan Market Motion – FY 2015

Director Morinaga made a motion, seconded by Director Shinohara to approve travel for the Japan Manager from Tokyo, Japan to Guam to attend the April 14, 2015 Japan Marketing Committee meeting. Travel is scheduled for April 13-15, 2015. Cost is approximately \$1,475.00 from the FY2015 JA# SMD004 Account

Motion Approved

Marketing	Lodging	M&IE	Total
GVB Japan Manager	\$175.00 x 2 nites	\$62.50 x 2 days	\$475.00
Airfare	\$1,000 x 1 pax		\$1,000.00
	TOTAL		\$1,475.00

Background: GVB and the JMC is looking at an impactful strategic sales, PR and marketing plan for the remainder of FY2015 and for FY2016. The Japan Manager will be joining the JMC on these discussions as well as attend other strategic meetings planned during the duration of his stay

Action: Board approval needed for travel

E. KOREA MARKETING
Committee minutes dated March 25, 2015

EXHIBIT F

F. MEMBERSHIP & COMMUNITY OUTREACH

G. NORTH AMERICA & PACIFIC MARKETS
Committee minutes dated April 3, 2015

EXHIBIT G

H. RESEARCH
Committee minutes dated March 17, 2015

EXHIBIT H

I. RUSSIA & NEW MARKETS

J. SPORTS & EVENTS

K. VISITOR SAFETY & SATISFACTION

L. ADMINISTRATION & GOV'T RELATIONS

M. CULTURAL & HERITAGE

Pacific International Tourism Expo (PITE) 2015

Director Jackson made a motion, seconded by Director Guzman to approve travel for (4) Cultural Entertainers to attend the 2015 Pacific International Tourism Expo (PITE) in Vladivostok, Russia from May 20-23, 2015. (Cost approximately \$14,416.00, Acct. No. DM-CPO008).

Motion Approved

Travel Expenses:

Airfare: \$1,500.00 x 4 pax =	\$6,000.00
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Per Diem:

Entertainers	
Lodging: \$221.00/day x 4 days x 4 pax =	\$3,536.00
M&IE: \$114.00/day x 5 days x 4 pax =	\$2,280.00

Professional Fees

Entertainers: \$100.00/day x 3 days x 4 pax =	\$1,200.00
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Visa Processing:	\$350.00 x 4pax	\$1,400.00
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TOTAL EXPENSE:	\$14,416.00
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Background: The Pacific International Tourism Expo (PITE) is the largest annual travel show in the Far East of Russia which was established to discover new business opportunities, network with leading tourism professionals, and preview what is hot and new for travel markets of Primorsky Territory and Pacific Asia. More than 9,000 travelers/visitors were present in last year's show, which also featured over 140 exhibitors.

GVB's main objective is to initiate marketing efforts and to bring awareness of our destination to trade and consumers in the Far East. A Guam Presentation for our participating companies is being scheduled to introduce themselves and their product/service to travel agents

Issue: Board approval needed for all travel

Discussion/Comments:

- o Director Jackson noted that in an effort to save money, the cultural dancers were cut the first time but as it turned out, the representative office was working on a specific promotion is dependant on having cultural dancers present.

IX. OLD BUSINESS

X. NEW BUSINESS

XI. EXECUTIVE SESSION

XII. ANNOUNCEMENT

Upcoming Board Meetings:

- o Thursday, April 23, 2015 at 4:00pm, GVB Main Conference Room.
- o Thursday, May 14, 2015 at 4:00pm, GVB Main Conference Room.

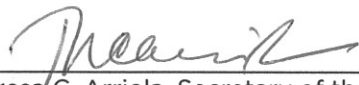
Announcements:

XIII. ADJOURNMENT

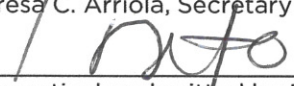
Chairman Baldyga made a motion, seconded by Director Shinohara, to recess the meeting. Meeting recessed at 5:04p.m. **Motion Unanimously Approved.**

Director Shinohara made a motion, seconded by Director Hofmann to reconvene the previously recessed meeting dated April 9, 2015 at 4:28pm on Thursday, April 23, 2015. **Motion Unanimously Approved.**

Director Shinohara made a motion, seconded by Director Jackson to adjourn the meeting at 4:30pm on Thursday, April 23, 2015. **Motion Unanimously Approved.**



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



Board Minutes respectively submitted by Dara Roberto, Executive Secretary

Action Item:

1. ~~Management to set up the time for airport walk through~~
2. Management to Schedule a working session meeting with the Board and the Senators.
3. ~~Verify with legal if they could dispense with reading all motions.~~
4. Look into “guest house” issue regarding zoning, licensing, taxation, safety, etc.
5. Task force to be established by the Chairman for the Guam Tourism Academy
6. Create a budget for photographer/Guam Photo Library
7. Make welcome experience at the airport a priority.
8. Make signage/touting/abandoned building/hand-billing legislation priority.
9. Management to follow up with GEDA and MATRIX regarding a proposal for a Master Plan
10. Management to report back with recommendations for photographer
11. Budget discussion at the board level for Festpac
12. Tumon Masterplan Task Force
13. Schedule briefing for Senators: Overview/Budget Preview/5yr CAPX
14. Meeting with Jessica Peterson
15. Creation of video for all markets