



BOARD OF DIRECTORS REGULAR MEETING

Thursday, August 25, 2016 - 3:00 p.m.
Guam Visitors Bureau- Main Conference Room

BOARD of DIRECTORS PRESENT:

- | | |
|----------------------------|-------------------------|
| Director Bruce Kloppenburg | Director Bart Jackson |
| Director Milton Morinaga | Director Katarina Sgro |
| Director Sam Shinohara | Director Hong Soon Im |
| Director Theresa Arriola | Director Robert Hofmann |
| Chairman Mark Baldyga | |

BOARD of DIRECTORS TELEPHONICALLY:

BOARD of DIRECTORS ABSENT:

- Director Eduardo "Champ" Calvo - Work matter
- Director Clifford Guzman - Work matter
- Director Norio Nakajima - Off island

GVB MANAGEMENT & STAFF PRESENT:

- | | | |
|------------------|----------------------|-------------------|
| Dara Roberto | Karida Brennan | Telo Taitague |
| Antonio Muna Jr. | Jon Nathan Denight | Meriza Peredo |
| Nakisha Garrido | Colleen Cabedo | Brian Borja |
| Nicolas Yasuhiro | Lisa Linek | June Sugawara |
| Doris Ada | Ana Cid | Joshua Tyquiengco |
| Kraig Camacho | Nadine Leon Guerrero | Derek Camacho |
| Rose Cunliffe | Mark Manglona | |

GUESTS:

- Bernice Rivera - Office of Senator Tina Muna Barnes
- Alan Cepeda - Office of Senator Tina Muna Barnes
- Lara Ozaki - Glimpses Publications

I. CALL TO ORDER

Chairman Baldyga called the meeting of the board to order at 3:38 pm.

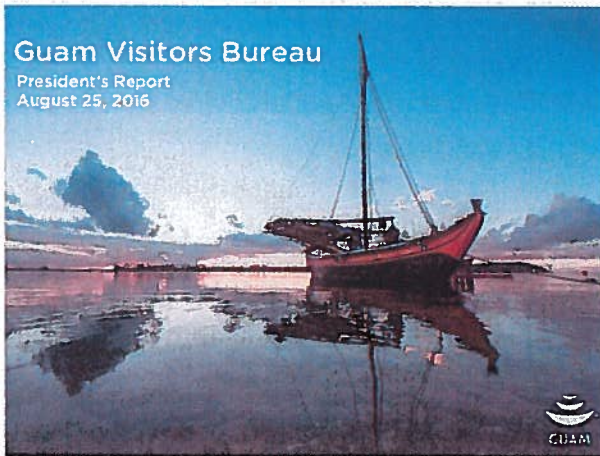
II. MINUTES OF THE PREVIOUS MEETING

Exhibit A

III. CHAIRMAN'S REPORT

IV. GENERAL MANAGER'S REPORT





PRELIMINARY Visitor Arrivals
JULY 2016
Total: 122,996 (6.9%)

% Market Mix	Origin	Pax	% to LY
44.4%	Japan	54,825	-7.5%
39.7%	Korea	48,883	38.1%
5.4%	US/Hawaii	6,617	6.8%
3.2%	Taiwan	3,883	-37.1%
1.7%	China	2,062	-10.8%
1.3%	Philippines	1,651	94.5%

PRELIMINARY Visitor Arrivals
CYTD 2016 (January 2016 - July 2016)
Total: 866,671 (10.2%)

% Market Mix	Origin	Pax	% to LY
48.4%	Japan	419,619	-5.0%
34.8%	Korea	301,861	35.5%
5.3%	US/Hawaii	45,899	10.7%
2.9%	Taiwan	25,554	-2.5%
2.0%	China	17,726	33.1%
1.3%	Philippines	11,540	75.2%

PRELIMINARY Visitor Arrivals
FYTD 2016 (October 2015 - July 2016)
Total: 1,233,134 (10.5%)

% Market Mix	Origin	Pax	% to LY
49.3%	Japan	608,285	-4.5%
34.7%	Korea	420,336	40.2%
5.1%	US/Hawaii	62,826	8.5%
2.8%	Taiwan	34,580	-2.1%
1.8%	China	22,371	25.3%
1.3%	Philippines	15,614	48.5%

PRELIMINARY MTD Visitor Arrivals
August 1 - 23, 2016
Total: 109,025 (6.5%)

% Market Mix	Origin	Pax	% to LY
56.7%	Japan	61,780	8.6%
31.8%	Korea	34,629	8.6%
3.7%	US/Hawaii	4,063	13.0%
2.2%	Taiwan	2,358	-25.7%
1.6%	China	1,766	-35.6%
0.9%	Philippines	945	46.7%

Sports & Events



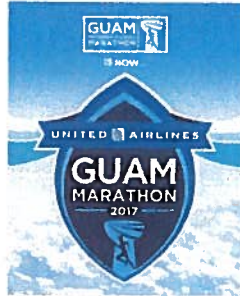
Guam Summer Beach Fest Closing Weekend

- Japanese celebrity Char will perform Friday evening
- Fitness on the beach lead by Synergy Studios
- Andy's, Bag's Group and DJ LA XO perform Saturday ending with the last fireworks show
- The Dolls and Phoenix Stage Band perform on Sunday
- Tumon Night Market will continue Saturday Nights
- 5-9 p.m. Friday- Sunday at the Ypao Beach Fun Zone

Sports & Events

GIM renamed to United Airlines Guam Marathon

- Press conference was held on Tuesday at GVB for GSEI to announce United as official title sponsor and the name change
- United to dedicate resources to boost marathon growth and awareness
- Registration is now open at new website guammarathon.com
- Race is scheduled for April 9, 2017
- Guam will celebrate the 3rd year for the marathon
- Goal is to strive for 5,000 runners
- Events to be held in Japan, Hong Kong, China and possibly Hawaii



2 YEAR STRATEGIC PLAN FY17-18

JAPAN MARKET

JAPAN MARKET STRATEGIC PLAN

CURRENT SITUATION

- ▶ Decline in Arrivals
 - ▶ Challenges: Weak Yen, Decreased Outbound, Increase in Guam Pricing, Increases Comp from Asia & Hawaii
- ▶ Decline in Seat Capacity
 - ▶ Loss of Flights from Secondary Cities, Only 1 Flight from Japanese Carrier, Increase in Airfares
- ▶ Market Share: Guam dropping below 5%

JAPAN MARKET STRATEGIC PLAN

OPPORTUNITIES

- ▶ Increase Air Service
 - ▶ Existing and new carriers
- ▶ More PR, More Online Advertising
- ▶ Grow Targets
 - ▶ FITs, Group/MICE, SMERF, Event
- ▶ Partner with industry on Sales, Marketing and PR opportunities

JAPAN MARKET STRATEGIC PLAN

FY 17/18 TARGETS (KPI'S)

- ▶ Arrival Targets
 - ▶ FY16 (Trend): 740,000
 - ▶ FY17: 750,000 | FY18: 800,000
 - ▶ @16M Outbound, represent 5% market share
- ▶ Air Seat Capacity: 1.1M seats
 - ▶ @800K, 73% Load Factor
- ▶ MICE/Group Target
 - ▶ FY16 (Trend): 110,000
 - ▶ FY17: 120,000 | FY18: 130,000

BUSINESS NOT AS USUAL

JAPAN MARKET STRATEGIC PLAN

JAPAN OPERATIONS REALIGNMENT

- ▶ New Japan Office Manager start late September
- ▶ Japan Office management audit by Business Development Manager
 - ▶ Staff interviews - assess how each is using time
 - ▶ Document duties and processes, create flow/org charts
 - ▶ Important to establish baseline, find efficiencies
- ▶ Accounting conduct Japan Office audit



AIR SERVICE DEVELOPMENT

TAKE SEATS

JAPAN MARKET STRATEGIC PLAN

YOU CAN'T GROW ARRIVALS WITH LESS AIR SEATS.

Nate

JAPAN MARKET STRATEGIC PLAN

AIR SERVICE DEVELOPMENT INITIATIVES

- ▶ Support existing carriers with PR and Marketing Co-op Program
- ▶ Airline Charter Incentive Program
 - ▶ Provide marketing funds to spur additional charters
- ▶ Communicate with existing carriers about additional service
- ▶ Continue meeting with potential new carriers with GIAA
 - ▶ Vanilla, Peach, Air Asia, Sky Mark, JetStar Japan, ANA
- ▶ Request GIAA for special Japan rates to encourage more flights



ADVERTISING AND PR

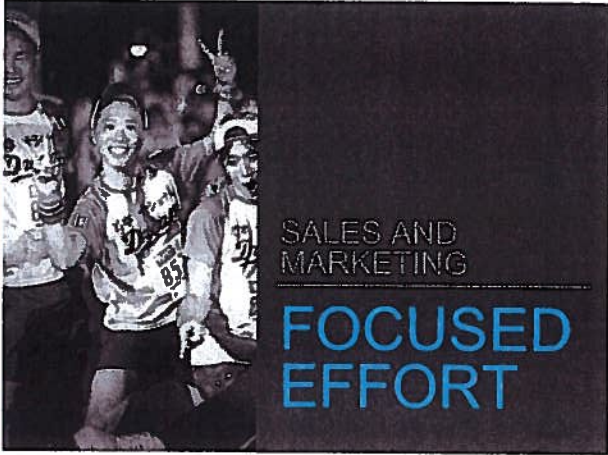
WIN THE WEB

JAPAN MARKET STRATEGIC PLAN

ADVERTISING AND PR STRATEGY

- ▶ Shift paid advertising to online
 - ▶ TV's great but limited budget, difficult to measure
 - ▶ Yahoo, travel websites, OTAs, Expedia, YouTube, etc.
- ▶ Create engaging online content like the OOG video
- ▶ Increase Marketing Co-op and PR Budgets
 - ▶ Partner with TA's and airlines
 - ▶ TV/movie spot on Guam

IDEA
IN 2017, CELEBRATE THE 50TH ANNIVERSARY OF JAPAN TOURISM ON GUAM AND VISIT GUAM 2017: YEAR OF LOVE WITH VISITORS SHARING THEIR GUAM STORIES AND COMING BACK TO GUAM WITH THEIR FAMILIES.



JAPAN MARKET STRATEGIC PLAN

SALES AND MARKETING STRATEGY

- ▶ Guam Tourism Summit: Launch Visit Guam 2017
 - ▶ 3-6 Cities in Japan in November
- ▶ Trade Shows and other in-market activities
 - ▶ Attend key travel shows, expand to activity expos
 - ▶ Limit non-performing activities
- ▶ Travel Agent Training Program, 2017 Launch
 - ▶ Online training program, Integrate with Study Tour

JAPAN MARKET STRATEGIC PLAN

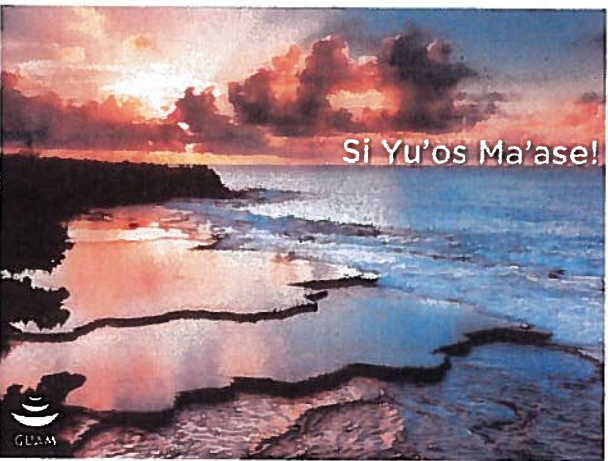
SALES AND MARKETING STRATEGY

- ▶ MICE/Group Initiatives
 - ▶ Dedicated website, help desk, sales team, ad plan
 - ▶ MICE/Group Incentive Program
- ▶ Wedding
 - ▶ Develop strategy together with major wedding companies on PR and marketing
- ▶ Do a much better job of promoting Guam Events

JAPAN MARKET STRATEGIC PLAN

INCENTIVE AND MARKETING CO-OP SUMMARY

- Airline Incentive Program
 - About 100 Charter flights in FY16, trending down
 - \$500K-\$1M out of policy day fund
 - \$500K per charter flight, \$500K = 100 flights
 - Also consider using for new service support
- MICE/Group Incentive Program
 - \$500K support fund
 - Travel plan offering per-pax support
- Marketing Co-op
 - Major CO-OP: JTB or HIS - \$500K of support for nationwide campaign
 - Increase regular marketing co-op fund



V. TREASURER'S REPORT

Exhibit B

VI. REPORT OF THE BOARD COMMITTEES

A. EXECUTIVE COMMITTEE

Director Kloppenburg made a motion, seconded by Director Hofmann, to ratify Executive Committee's approval for KMC Chairman Bart Jackson to travel to Seoul to conduct follow-up administrative meetings with GVB Korea marketing representatives and the Korea MICE Association staff and members from Tuesday, July 25 - 26, 2016. Cost is approximately \$951.00 from the FY2016 Korea Budget, Acct. No. SMD023.

Motion Approved

Per Diem:

$$\$366/\text{day} \times 25\% = \$91.50 + \$366.00 = \$477.50 \times 2 \text{ days} = \$951.00$$

GUAM ART EXHIBITION

Director Kloppenburg made a motion, seconded by Director Morinaga, to ratify Executive Committee's approval for one marketing staff and two musicians to participate in the opening ceremony of the Guam Art Exhibition at Lotte Department Art Gallery in Seoul, Korea from August 25-27, 2016. Cost is approximately \$6,026.00 from FY2016 budget accounts KO-SMD023 (\$1,942.00) and DM-CPO002 (\$4,084.00).

Motion Approved

Korea Marketing:

Airfare	1	1,200.00		\$1,200.00
Per Diem				
Lodging	1	\$230.00	2	\$460.00
M&IE	1	\$141.00	2	\$282.00
				\$1,942.00

Cultural Delegation:

Airfare	2	1,200.00		\$2,400.00
Per Diem				
Lodging	2	\$230.00	2	\$920.00
M&IE	2	\$141.00	2	\$564.00
Prof Fee				
Musician	2	\$100.00	1	\$200.00
				\$4,084.00

Background: During the Fest Pac in May, GVB hosted 4 artists, 1 photographer, 2 Lotte gallery curators, and 1 art project coordinator for a Guam Drawing Project Fam Tour. The objective for the group was to experience Guam and Fest Pac to come up with Guam/Chamorro inspired artwork to be featured at Lotte Department Stores

There will be two "Guam Art Exhibitions" at Lotte's top department store locations. The first exhibit will be held for 17 days from August 26 - September 11, 2016 at the Lotte Tower Gallery in Jamsil. The second exhibit will be held for 19 days from September 28 - October 16, 2016 at the Yeongdeungpo Lotte Gallery.

Will produce over \$50 million in publicity for this exhibit utilizing Lotte's smart coupon APP, Lotte's website, direct mail advertising, and other social media channels.

To promote the exhibitions and the Guam destination, GVB plans to bring the Marketing Manager - Korea Market, Culture & Heritage Officer, and two musicians to perform at the Opening Ceremony located at the Lotte Department Jamsil.

Action: Board approval needed.

PATA BOARD MEETING

Director Kloppenburg made a motion, seconded by Director Jackson, to ratify Executive Committee's travel approval for the GVB President and CEO Nathan Denight to attend the PATA Board Meeting, September 9-11, 2016 (Estimated cost of travel: \$4,110.00 from the FY2016 Pacific Market Meetings/Events Account #PA-SMD025).

Motion Approved

Airfare: \$1,800 x 1 pax	\$1,800.00
Perdiem: \$452.50 (\$362 + 25%) x 4 days x 1 pax	\$1,810.00
Misc Expense:	\$500.00

TOTAL: \$4,110.00

Background: Guam Visitors Bureau President and CEO Nathan Denight serve as a current Board Member for the PATA Int'l Board 2016-2017 and will be attending the last board meeting of 2016. The Guam delegation will be attending the PATA Travel Mart right before his attendance to the board meeting. The GVB Director of Global Marketing who also attends as part of the PATA Executive Board will be in Indonesia for the PATA Travel Mart and the Guam delegation will be represented at the board meetings concluding PTM2016. Guam's active role and participation in the board meeting has elevated our image and we will continue to push Guam at the forefront of PATA events/activities for more opportunities for our Micronesia

Korea Trade Mission

Director Kloppenburg made a motion, seconded by Director Jackson, to ratify Executive Committee's travel approval for the Honorable Governor Eddie B. Calvo, First Lady Christine M.S. Calvo, GVB Board Chairman, GVB President & CEO, and GVB Vice President to conduct meetings with KGTC and Korean airlines in Seoul, Korea from September 16-20, 2016. Cost is approximately \$16,715.00 from FY2016 budget account KO-SMD019.

Motion Approved

Korea Marketing:

Airfare		1,500.00	5		\$7,500.00
Protocol					\$4,225.00
Lodging	4	\$230.00 + 30%	2	\$2,392.00	
M&IE	5	\$141.00 + 30%	2	\$1,833.00	
GVB Board Chairman					\$927.50

Lodging	2	\$230.00 + 25%	1	\$575.00	
M&E	2	\$141.00 + 25%	1	\$352.50	
GVB Management					\$4,062.50
Lodging	4	\$230.00 + 25%	2	\$2,300.00	
M&E	5	\$141.00 + 25%	2	\$1,762.50	
				TOTAL	\$16,715.00

Background:

GVB is planning the following high-level meetings with Governor Calvo in Korea:

- Meet with executives of the Korean Guam Tourism Council (KGTC) to thank them for their support of Guam in 2016 and discuss plans for FY17.
- Meeting with Korean Air to discuss their decision to cease service from Osaka (KIX) to Guam and see if there is support that GovGuam/GVB can offer to keep flight.
- Meet with US Commercial Service to talk about business and investment opportunities in the tourism sector from Korea.
- Will also reach out to other airline partners for meetings

B. ADMINISTRATION & GOV'T RELATIONS

C. DESTINATION MANAGEMENT

D. GREATER CHINA

Committee minutes dated August 12, 2016

Exhibit C

E. JAPAN

Director Morinaga made a motion, seconded by Director Hofmann, to approve additional per diem for 12 pax for various events in Japan to be held immediately after JATA Tourism Expo. (Estimated cost \$21,798.25 from Account # Account #JA-TTC001 (\$5,565.75), DM-CPO001 (\$14,846.50) and Account # AS-ESP001 (\$1,086.00)).

Motion Approved

Japan Marketing	Per Diem Rate	No. of Days	Total
General Manager	\$678.75	3	\$2,036.25
JMC Chairman	\$678.75	2	\$1,357.50
Marketing Officer II Japan	\$543.00	3	\$1,629.00
Marketing Officer II Japan	\$543.00	1	\$543.00
MARKETING BUDGET:			\$5,565.75

CHaCO	Per Diem Rate	No. of Days	Total
Deputy General Manager	\$678.75	2	\$1,357.50
CHC Officer	\$543.00	2	\$1,086.00

1 Miss Guam	\$543.00	3	\$1,629.00
2 Musician	\$1,086.00	3	\$3,258.00
4 Cultural Entertainers	\$2,172.00	3	\$6,516.00
Professional Fees:			
1 Miss Guam (2 days)	\$100.00	2	\$200.00
2 Musician (2 days)	\$200.00	2	\$400.00
4 Cultural Entertainers	\$200.00	2	\$400.00
CHACO BUDGET:			\$14,846.50

Sports & Events Committee	Per Rate	Diem	No. of Days	Total
Community Development Officer	\$543.00		2	\$1,086.00
			SPORTS & EVENTS BUDGET:	\$1,086.00

Background: JATA Tourism Expo is scheduled during several Japanese holidays making it necessary to hold events either before or after the largest travel show in Japan. On the Monday following the event, September 26, 2016, a travel industry reception will be held for Mr. Yuji Mitsumori for his retirement. On Tuesday, September 27, 2016, a major press conference to announce United Airlines as a title sponsor of the Guam International Marathon will be held in Japan. We have received a request to provide a Miss Guam, entertainers and for the President to provide remarks at a press event to be held in Tokyo. In addition to these milestones, planning and transition meetings will be held with our Japan team.

F. KOREA

Committee minutes dated August 9, 2016

Exhibit D

G. MEMBERSHIP & COMMUNITY OUTREACH

H. MEMBERSHIP & COMMUNITY OUTREACH

Committee minutes dated August 3, 2016

Exhibit E

I. RESEARCH

J. RUSSIA & NEW MARKETS

K. VISITOR SAFETY & SATISFACTION

Director Im made a motion, seconded by Director Morinaga, to approve travel for the GVB Vice President to attend the Global Sustainable Tourism Conference in Seoul, Korea from October 05 - 08, 2016. (Cost approximately \$2232.44- Account Number VSS001).

Motion Approved

Airfare	Round trip : \$748.44 x (1) pax	\$748.44
Per Diem:	Hotel lodging : \$230.00 x (4) nights	\$920.00
	Guam M&IE : \$141.00 x (4) days	\$564.00
TOTAL:		\$2232.44

The VP will attend the first Global Sustainable Tourism Conference, to be held in Suwon City, South Korea. This conference will feature prominent speakers, updates on GSTC's activities, themed sessions and panels.

In the FY2017 budget, the Legislature has approved a budget that itemized Eco Tourism which falls right in line with this sustainable tourism conference. Networking of best practices with the global tourism market is crucial for a successful implementation. The GVB team has begun to internally implement through the go green email among other things.

Conference themes are: marketing sustainable tourism, urban tourism, cultural heritage destinations, and sustainable MICE. Simultaneous translation to Korean and Chinese will be available. The global conference has been planned to coincide with the Suwon City Cultural Festival.

L. CULTURE & HERITAGE

M. SPORTS & EVENTS

VII. OLD BUSINESS

VIII. NEW BUSINESS

IX. EXECUTIVE SESSION

X. ANNOUNCEMENT

Upcoming Board Meetings:

- o Thursday, September 8, 2016 at 3:00pm, GVB Main Conference Room.
- o Thursday, September 22, 2016 at 3:00pm, GVB Main Conference Room.

Announcements:

XI. ADJOURNMENT

Chairman Baldyga made a motion, seconded by Director Shinohara, to adjourn the meeting. Meeting adjourned at 5:00 p.m. **Motion Unanimously Approved.**



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

for 

Board Minutes respectively submitted by Dara Roberto, Executive Secretary

Action Item:

- Update Tourism 2020 Plan
- Management to follow up on Board vacancy
- Management to craft a letter opposing Bill 338
- Management to provide the Board with FestPac close out report
- ~~- Management to set up meeting with DPW regarding Westin and Archbishop Flores intersections~~

Tumon Masterplan Task Force

- o Finalize signage / touting / abandoned-building / hand-billing legislation **No internal experience to draft this → need to outsource**
- o Incorporate into a capital request for funding via a bond
- o Submit draft plan → **Director Guzman / Doris Ada**
- o Adjust the bill we are putting forward to include a budget for MasterPlan

Sports & Events Recap → next BOD meeting

- o Money spent
- o Arrivals
- o Return on Investment

Immigration wait time / CBP → Lt. Gov. Task Force

- o Report from Lt. Governor's Office
- Management to set up workshop regarding GuestHouse issue - open to public
- Staff to provide a short recap of 2016 Smart Goals: Where we are at and where we are going → next BOD meeting
- Management to craft Resolution congratulating Takagi-san on his award from the Emperor of Japan → **PIO working with Japan Consulate**

- Special meeting to discuss ideas for 2016 → GVB plans by Fiscal Year - Plan FY17 now

