



BOARD OF DIRECTORS REGULAR MEETING

Thursday, October 13, 2016 – 3:00 p.m.

Guam Visitors Bureau – Main Conference Room

BOARD OF DIRECTORS PRESENT:

Chairman Mark Baldyga	Director Bruce Kloppenburg
Director Norio Nakajima	Director Milton Morinaga
Director Clifford Guzman	Director Theresa Arriola
Director Sam Shinohara	Director Eduardo “Champ” Calvo
Director Katarina Sgro	

BOARD OF DIRECTORS TELEPHONICALLY:

BOARD OF DIRECTORS ABSENT:

Director Bart Jackson	Director Robert Hofmann
Director Hong Soon Im	

GVB MANAGEMENT & STAFF PRESENT:

Jon Nathan Denight	Telo Taitague	Karida Brennan
Russell Ocampo	Nicolas Yasuhiro	Brian Borja
Pilar Laguana	Regina Nedlic	Haven Torres
Lisa Linek	Laurette Perez	Mark Manglona
Meriza Paredo	Antonio Muna	June Sugawara
Ana Cid	Nico Fujikawa	Kraig Camacho

GVB MANAGEMENT & STAFF TELEPHONICALLY:

GUESTS:

Lara Ozaki – Glimpses Publications

I. CALL TO ORDER

Chairman Baldyga called the meeting of Board to order at 3:20 p.m.

II. MINUTES OF THE PREVIOUS MEETING

Exhibit A

Chairman Baldyga made a motion to approve the minutes of the previous Board of Directors meeting dated September 29, 2016.

Motion unanimously approved (Subject to minor revisions)

III. CHAIRMAN'S REPORT

- o Chairman Baldyga thanked the team for giving a warm welcome to the new Japan Manager.
- o He reported that the airport just launched the Automated Passport Control machines. Director Shinohara added that utilization has been great thus far.
- o Chairman Baldyga congratulated the Board, management, and staff on 1.51 million arrivals for FY2016.

IV. GENERAL MANAGER'S REPORT



MARKETING

% Market Mix	Origin	Pas	% to LY
46.0%	Japan	19,537	0.3%
39.8%	Korea	16,931	21.0%
3.7%	US/Hawaii	1,563	9.4%
2.5%	Taiwan	1,083	-6.3%
3.1%	China	1,329	-20.3%
1.2%	Philippines	523	50.7%

Japan Marketing News

Guam Charter : Package Product

Month	Forecast	Y Arrival	% Arrival	2016 Seats	2015 Seats	% Capacity
October	\$61,000	\$8,070	+1.39%	70,820	89,024	11.46%
November	\$9,800	\$2,760	-5.99%	69,487	83,630	18.83%
December	\$8,700	\$7,874	-1.86%	81,345	84,608	14.12%

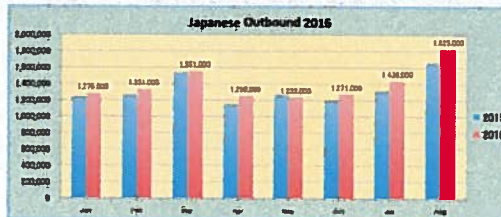
DEPARTURE	Month	Airline	Destination	Package Price (Twp)	Departure	Travel Agent
Fukuoka (FUK)	December	T'way	Guam	89,800 -	27Dec & 30dec	JTB, HNT
Nagoya (NGO)	December	United	Guam	158,000 -	30Dec & 31Dec	JTB
Nagoya (NGO)	December	United	Guam	199,800 -	30Dec & 31Dec	HIS
Nagoya (NGO)	December	China Airlines	Guam	153,800 -	29Dec	HIS, KHT
Narita (NRT)	December	China Airlines	Guam	129,800 -	27-31Dec	Tajima club
Hiroshima (HLJ)	December	China Airlines	Guam	193,000 -	29Dec	JTB, HIS, Hironaka
Tokuyasu (TAQ)	December	China Airlines	Guam	259,000 -	30Dec	HIS
Kansai (KIX)	December	China Airlines	Guam	259,000 -	30Dec	HIS
Kansai (KIX)	December	China Airlines	Guam	219,000 -	29Dec	JTB
Narita (NRT)	December	Korean Air	Guam	259,000 -	29Dec & 30dec	HIS, NTA
Osayama (OJC)	December	Korean Air	Guam	177,800 -	30Dec	HIS, NTA

Japan Marketing News

Industry Update

DEPARTMENT	FLY	FROM TO GATE	FLY NAME	GATE TO FLY	CLASS	CARRIER	FLY DAY
Nagoya (NNG)	UA	AM	UA	AM	8737-700	118	to 1000 2000 to 1000 2000
Nagoya (NNG)	UA	AM	UA	PM	8737-700	118	to 1000 2000 to 1000 2000
Narita (NRT)	CJ	PM	CJ	AM	A330-300	507	to 1000 2000 to 1000 2000
Norfolk (NLI)	CJ	PM	CJ	AM	8737-800	158	to 1000 2000 to 1000 2000
Norfolk (NLI)	CJ	AM	CJ	PM	8737-800	158	to 1000 2000 to 1000 2000
Norfolk (NLI)	CJ	PM	CJ	AM	A330-300	307	to 1000 2000 to 1000 2000
Norfolk (NLI)	CJ	PM	CJ	AM	A330-300	307	to 1000 2000 to 1000 2000
Norfolk (NLI)	CJ	AM	CJ	PM	8737-800	158	to 1000 2000 to 1000 2000
Norfolk (NLI)	CJ	PM	CJ	PM	8737-800	158	to 1000 2000 to 1000 2000
Norfolk (NLI)	KE	PM	KE	AM	8777-200	248	to 1000 2000 to 1000 2000
Norfolk (NLI)	KE	PM	KE	AM	8777-200	248	to 1000 2000 to 1000 2000

- Japanese overseas travelers in August 2018 were up 10.4% year on year to 1,825,000.
- This is the first time to exceed 1.8 million a month since August 2013.
- The growth rate of 10% or higher was found for the first time in the past four years and two months
- The total for eight months of 2018 was up 5.5% to 11,172,600, already 580,000 more than a year earlier



Japan Marketing News

Industry Update

Ratio of Online Bookings (JTM Survey) :

- The average frequency of overseas travel including business trips in 2015 was 1.58 per traveler.
- The departure rate of 20's females dropped to 24.8% in 2015 from 28.3% in 2000.
- The departure rates of 40's, 50's and 60's males rose from the rates in 2000 due to the growth of business trips.
- Booking channels :
 - Online was the highest ratio of 56.4%.
 - Visiting a retail shop : 26%.
 - The ratio of online bookings was higher in Tokyo, Osaka and Nagoya areas and other areas were less than half.
 - Bookings in retail shops was 38.5%, 6.3 higher points than the average since travel products can be asked directly.
 - The most popular booking place was travel company with a share of 51.8%, followed by airlines (12%) and OTA (9.5%).



Japan Marketing News

Marketing Update

Shop Guam Festival 2016 :

- Campaign period : December 01 to February 04.
- Target : Exceeding the number of App Japanese download last year.
- Action plan :
 - GVB Japan Sales team to finalize the mailing address of travel agents nationwide by October 13.
 - ADK team & GVB PR team to finalize the files.
 - Shop Guam Fliers to deliver to Japanese customer with the final itinerary from October 20.



Japan Marketing News

Marketing Update

HIS, United and GVB Guam Promotion 2017 :

- Promotion Period : October to December 2017.
- Area of outlets : 200 HIS branches in Tokyo, Nagoya and Osaka.
- Sales Targets : +5% YOY sales at target branches.
- Action Plan : Kick-off party and Sales Seminar & promotion at HIS branch of Shell lei - 1000.
- GVB giveaway : Guam Video : 30 sets. (Premium Guam) Shell lei - 1000. Poster : 50 each.

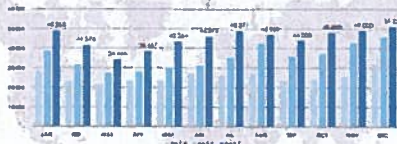


Korea Marketing News

Korea Outbound Market Trend

Guam Market Share

Number of Korean Outbound Travelers - In Guam



Area	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Total Korean Outbound	1,200,000	1,300,000	1,400,000	1,500,000	1,600,000	1,700,000	1,800,000	1,900,000	2,000,000	2,100,000	2,200,000	2,300,000	24,000,000
Guam Market	10,000	12,000	14,000	16,000	18,000	20,000	22,000	24,000	26,000	28,000	30,000	32,000	300,000
Market Share	0.8%	0.9%	1.0%	1.1%	1.2%	1.3%	1.4%	1.5%	1.6%	1.7%	1.8%	1.9%	1.2%

Hong Kong Marketing News

Hong Kong SGF Media Fam Tour October 1-5, 2016



Hong Kong Marketing News

Hong Kong Express Direct flight service starting December 15, 2016



Flight	Route	Depart	Arrive	Frequency
HX 34	Hong Kong (HKG) - Guam (GUM)	08:30	10:15	Thursdays
HX 35	Guam (GUM) - Hong Kong (HKG)	17:30	21:00	Thursdays

Taiwan Marketing News

October-December

SGF Fam Tour

Invited bloggers to participate in SGF Fam Tour Sept. 27th- Oct. 2nd.

Travel TV Show Tie-in

Collaboration with iWalker /SET TV for their shooting by the end of October.

KKRR Promotion

Created an animation for KKRR promotion to promote on social media.

ITF Preparation

The 2016 Taipei International Travel Fair will be November 4th-7th.



DESTINATION

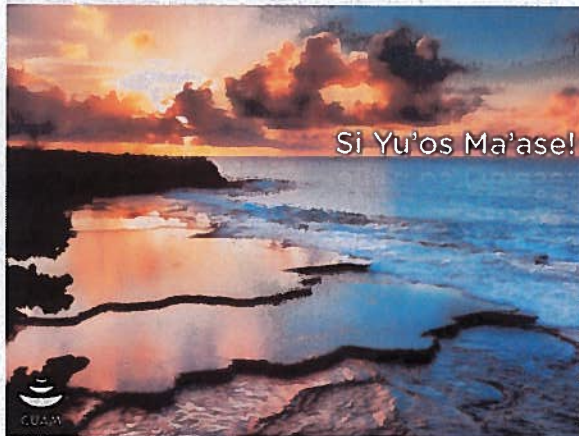
Sports & Events



Guam Ko'ko' Road Races WAVE

- Friday, October 14, 2016
- 4-5 p.m.
- REMINDER: Ko'ko' Weekend is Halloween Weekend
- Guam Ko'ko' Kids Fun Run is on October 29th
- Guam Ko'ko' Road Races is on October 30th
- Races include an Ekiden Relay, 10K Run/Walk and Half Marathon
- Costume contest to win cash prizes
- More information on guamkokoroadrace.com and social media

- Mayors Council of Guam submitted final report for FestPac 2016 Beautification grant "for the improvement, refurbishment, restoration, repair, and/or maintenance of one (1) park or attraction per village including village murals.
- Total amount: \$200K



- o Chairman Baldyga recommended using a corporate idea or tagline for all charitable work GVB is involved with (e.g., "Brought to You by Tourism" or "Tourism Works").


V. TREASURER'S REPORT

Exhibit B

FY 2016						
	Appropriation	Received to Date		Balance		
Operations	\$ 21,044,191.00	\$ 17,503,941.00	83%	\$ 3,540,250.00	17%	
Destination Development	\$ 1,235,000.00	\$ 1,015,000.00	82%	\$ 220,000.00	18%	
Rainy Day Fund	\$ 200,000.00	\$ 200,000.00	100%	\$ -	0%	
Cultural & Sports Ambassador Fund	\$ 200,000.00	\$ 160,000.00	80%	\$ 40,000.00	20%	
Pass-Thru	\$ 750,000.00	\$ 683,750.00	91%	\$ 66,250.00	9%	
Guam Football Association	\$ 400,000.00	\$ 400,000.00	100%	\$ -	0%	
Pilot Program Korean Visitor Market	\$ 250,000.00	\$ 250,000.00	100%	\$ -	0%	
FESTPAC	\$ 1,300,000.00	\$ 1,300,000.00	100%	\$ -	0%	
Capital Improvement Projects	\$ 1,000,000.00	\$ 1,000,000.00	100%	\$ -	0%	
TOTAL	\$ 26,379,191.00	\$ 22,512,691.00		\$ 3,866,500.00		
TOTAL RECEIVABLES FY 2016				\$ 3,866,500.00		

FY 2017						
	Appropriation	Received to Date		Balance		
Operations	\$ 21,282,472.00	\$ -	0%	\$ 21,282,472.00	100%	
Destination Development	\$ 1,085,000.00	\$ -	0%	\$ 1,085,000.00	100%	
Rainy Day Fund	\$ 200,000.00	\$ -	0%	\$ 200,000.00	100%	
Cultural & Sports Ambassador Fund	\$ 200,000.00	\$ -	0%	\$ 200,000.00	100%	
Pass-Thru	\$ 885,000.00	\$ -	0%	\$ 885,000.00	100%	
TOTAL	\$ 23,652,472.00	\$ -		\$ 23,652,472.00		
TOTAL RECEIVABLES FY 2017				\$ 23,652,472.00		
TOTAL RECEIVABLES				\$ 27,518,972.00		

Accounts
RESTRICTED

Bank of Guam - Rainy Day Fund	\$ 2,083,414.89
Bank of Guam - FESTPAC Trust Account ¹	\$ 371,394.92
Cultural & Sports Ambassador Fund	\$ 331,750.00
TOTAL	\$ 2,786,559.81

UNRESTRICTED

Bank of Guam - Operations	\$ 7,729,296.58
First Hawaiian Bank - Membership	\$ 146,295.86
Resona	\$ 357,042.38
Bank of Guam - TAF	\$ 2,556,423.54
Raymond James - CD value as of 09/30/2016 ²	\$ 2,525,177.18
TOTAL	\$ 13,314,235.54

TOTAL as of 10/11/2016 **\$ 16,100,795.35**

Current Payables

Asatsu Invoices JUN - SEPT	\$ 1,119,200.47
Japan Invoices	\$ 92,093.81
Guam Invoices	\$ 655,373.41
FY 2016 Pass-thru appropriations	\$ 18,750.00
Encumbered Contracts	\$ 3,393,346.73
Encumbered Purchase Orders	\$ 248,085.04
FESTPAC Trust Account	\$ 371,394.92
TOTAL as of 10/11/2016	\$ 5,898,244.38

NOTES
NOTE 1

\$371,394.92 FESTPAC
 (\$26,308.30) FESTPAC expenditures - reimburse Operations
\$345,086.62

NOTE 2

\$1,407,282.57 Morgan Stanley/Raymond James CD
 (\$86,542.00) Board approved \$86,542 on 07/23/15 for Department Revenue & Tax Auditors
 (\$700,000.00) Board approved \$700,000 on 02/25/16 for Pale San Vitores Road Bus Shelter Project
 (\$150,000.00) Board approved \$150,000 on 07/14/16 for Pale San Vitores Road Bus Shelter Project
\$470,740.57

VI. REPORT OF THE BOARD COMMITTEES

A. EXECUTIVE COMMITTEE

B. JAPAN

Committee minutes dated September 13, 2016

Exhibit C

- o Director Morinaga reported that the new Japan Manager was introduced at the last JMC meeting and members have a positive outlook.
- o He mentioned that R&C Tours is closing.
- o He reported that Japan Airlines will be off bankruptcy probation in April 2017. Chairman Baldyga noted that this would be a good time to approach them. Director Morinaga stated that the Japan Manager and Japan reps should monitor this situation with JAL.

GUAM KO'KO' ROAD RACES 2016, GVB GLOBAL MARKETING MEETING 2016, AND STAFF FAM TOUR

Director Morinaga made a motion, seconded by Director Shinohara, to approve travel for four (4) GVB Japan staff to join Guam Ko'ko Road Races 2016, Global Marketing Meeting followed by familiarization tour from October 27 – November 4, 2016: (Estimated cost of travel \$4,958.50, Account #SMD003).

Motion approved

Travel Expenses

Airfare:	\$700.00 x 4 pax	\$2,800.00
Taxes:	\$49.00 x 4 pax	\$196.00
JP Transportation to/from airport:	4 pax	\$400.00
Guam Per Diem:	\$62.50 x 4 nights x 1 pax	\$250.00
Guam Per Diem:	\$62.50 x 5 nights x 1 pax	\$312.50
Guam Per Diem:	\$62.50 x 8 nights x 2 pax	\$1,000.00
Total:		\$4,958.50

Background: Around 200 participants from nationwide, including 6 runners from the Sister Events, 24 pax media (9 groups) will come to Guam to take part in the event. Japan Manager and the Web Marketing Coordinator will stay after Ko'ko' Road Race and also to attend GVB Global Marketing Meeting. It will be the first Guam trip for both of them and they will also learn about the island through familiarization tours.

• **General Schedule**

Oct 27: NARITA - GUAM

Oct 28 & 29: Event registration & media attendance

Oct 30: Guam Ko'ko' Road Races

Oct 31: Return to Japan (1 pax) / Media Fam tour (1 pax) / Fam Tour (2 pax)

Nov 1: Return to Japan (1 pax) / Global Marketing Meeting (2 pax)

Nov 2 & 3: Fam tour (2 pax)

Nov 4: Return to Japan (2 pax)

Issue: Board approval required for all travel



Director Morinaga made a motion, seconded by Director Shinohara, to approve authorization of the President and Chief Executive Officer as Chief Procurement Officer of GVB to enter into negotiations with the highest-ranking qualified Offeror in response to GVB RFP 2016-019 JAPAN IN-COUNTRY MARKET RESEARCH, and if successful, to contract.

Motion approved

Background: The Guam Visitors Bureau “GVB” seeks to retain the services of an established and qualified professional research service (“Firm”) with specialties in the Japan market for the purpose of assisting GVB in studying Japanese visitor attitudes toward Guam as a leisure destination on a quantitative and qualitative basis. The information collected should also assist GVB to refresh certain baseline data to better understand the nature and economic value of each Japanese visitor market segment. While the Japanese market is rapidly aging, these visitors are still spry and healthy enough to seek out new experiences. There is a clear need to ensure revitalization of the product and more things to do and see. The budget amount may vary from project to project and is subject to change. The contractual obligation of both parties shall be for a one-year period, with two one-year options to renew, total of three (3) years (FY2017, FY2018, and FY2019) and is subject to fiscal year-end performance reviews, availability and certification of funds from fiscal year to fiscal year.

Issue: Board approval required.

C. KOREA

- o President Denight reported that we just attended Mode Tour in Korea.
- o He mentioned that HIC gave a very good presentation on their year plan in the last KMC meeting where they shared their exciting new initiatives and marketing ideas.

D. MEMBERSHIP & COMMUNITY OUTREACH

- o Director Guzman reported that there is an upcoming Membership Committee Meeting where plans to encourage members to vote in the next election will be discussed.
- o He announced that the next membership meeting is on the first Tuesday in January. This will be the Annual Membership Meeting.
- o President Denight announced that there will be a membership mixer in December.

E. NORTH AMERICA & PACIFIC MARKETS

DEMA 2016

Director Arriola made a motion, seconded by Director Guzman, to recommend board approval for the travel of the GVB Director of Global Marketing and one GVB marketing staff to attend the 40th DEMA Show 2016 to be held November 16 - 19, 2016 in Las Vegas, Nevada and conduct Guam Product Seminars with PATA New York Chapter in New York from November 20-23, 2016. Travel cost approximately \$11,000.00 from FY 2017 North America Budget Acct. #US-SMD023.

Motion Approved

Airfare: \$2,500 x 2 pax	\$5,000.00
Las Vegas Per Diem Lodging + M&IE: \$166.00 x 7 days x 2 pax	\$2,324.00
New York Per Diem Lodging + M&IE: \$375 x 3 days x 2 pax	\$2,250.00
Misc. Expenses	<u>\$1,426.00</u>

Total \$11,000.00

Background: Guam Visitors Bureau (GVB) is a member of Diving Equipment & Marketing Association (DEMA) and plans attend the DEMA Show is the world's only international trade-only event for the dive industry. GVB will have the opportunity to connect face-to-face and network with more than 9,300 credentialed experts from every aspect of the diving, action watersports and travel professions. This event is attended by travel sellers throughout the world and is the best event for showing the Guam destination to travel agents that organize dive group trips.

As the gateway to Micronesia and America in Asia, Guam is strategically positioned to accommodate the dive enthusiasts as a quick layover, looking for a safe US destination or as a destination with many adventures and shopping options. Scuba diving and diver travelers are known as affluent travelers contributing to the overall tourism industry on Guam. According to results from the 2015 GVB Guam Scuba Dive Survey, the average total expenditure per dive was \$163.33. The average number of dives per diver was 3 dives. Based on this data, the average gross revenue per diver amounted to \$449.17. In FY2015, based on Guam's major markets alone, 125,498 visitors participated in diving. Based on this data, a conservative estimate can be made that, from our major markets alone, the total gross diving revenue in 2015 is \$56,369,635.12.

While participating at the DEMA Show 2016 we look forward to sharing the 2017 Events Calendar to give the divers more time to plan their next dive trip and choose destination Guam. The Guam Visitors Bureau will be joining the Micronesian Pavilion together with Palau Visitors Authority and other Micronesia partners to create a strong regional presence supported by United Airlines and to conduct a Micronesia Seminar to familiarize attendees on the region, diving and other optional activities.

During the PATA Travel Mart 2016 in Jakarta, Indonesia, GVB met with Ms. Elizabeth Chin, President of the PATA New York Chapter. Ms. Chin discussed the opportunity to host a Guam Product Seminar with the PATA New York Chapter, which has over 300 travel agent members whenever GVB is in the mainland. GVB would like to take this opportunity to promote the Guam destination and build relationships in the East Coast with potential travel agents, interested in the Asia-Pacific region.

Action: Board approval required for travel.

Discussion:

- The Director of Global Marketing stated that this is the largest industry dive show in North America where we will promote our region and island.

-
- President Denight reported that we, along with Dusit Thani, will be going to IMEX next week which is the biggest MICE show in the world.
 - He also reported that we were able to have a MICE on Guam article published on skift.com, one of the leading travel industry websites.

F. RESEARCH

- Director Shinohara reported that we are making progress with the Japan In-Country Market Research RFP.
- Chairman Baldyga requested for the Research Department to produce a key statistics report at the end of the year to distribute to membership.

G. RUSSIA & NEW MARKETS

- o President Denight stated that only our overseas reps in Russia will be attending an upcoming road show in Russia because it is a smaller market

H. VISITOR SAFETY & SATISFACTION

I. CULTURE & HERITAGE

J. SPORTS & EVENTS

- o Director Sgro reported that the team is preparing for the Ko'ko' Road Races.
- o President Denight stated that the Tumon Night Market is ongoing and doing well.
- o He mentioned that we are also working towards the New Years Eve Fireworks show which will be held in Tumon and will be free to the public.

K. ADMINISTRATION & GOV'T RELATIONS

HICAP 2016

Director Kloppenburg made a motion, seconded by Director Calvo, to request the board approve travel for GVB Board Director Bart Jackson and GVB President & CEO to attend the Hotel Investment Conference Asia Pacific (HICAP) 2016 to be held October 19 – 21, 2016 in Hong Kong. Travel cost approximately \$6,950.00 from FY 2017 Business Development Budget Acct. #BUS-BUS002.

Chairman Baldyga made a motion to amend the aforementioned motion as follows:

Motion to request the board approve travel for GVB Board Director Bart Jackson and GVB President & CEO to attend the Hotel Investment Conference Asia Pacific (HICAP) 2016 to be held October 19 – 21, 2016 in Hong Kong. Travel cost approximately \$6,950.00 from FY 2017 Business Development Budget Acct. #BUS-BUS001.

Motion passed as stated and amended

Airfare: \$800 x 2 pax	\$1,600.00
Per Diem: Lodging: \$355 x 25% = \$443.75/night x 4 nights x 2 pax =	\$3,550.00
M&IE: \$180.00 x 25% = \$225.00/day x 4 days x 2 pax =	\$1,800.00
Total	\$6,950.00

Background: GVB will once again be joining GEDA on this annual hotel investment conference. For 25 years, HICAP has been the unequalled 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.

This is an opportunity to connect with the key players in the industry at HICAP. HICAP draws internationally influential decision-makers, experienced advisors and specialists, and industry pundits.

Various events will take place this year, such as, the HICAP Awards – Lifetime Achievement Award; Deal of the Year Award; Sustainable Hotel Awards; and Rising Star Award Asia Pacific.

Action: Board approval required for travel.

Discussion:

- President Denight mentioned that there is a conference portion to the event and there are networking opportunities.
- Chairman Baldyga suggested going to the event with an agenda and a clear set of objectives.

o President Denight gave a procurement update:

- There is an RFP out for a Human Resources Consultant to assist with our Administrative Rules and Regulations.
- We are working on procurement for tree mitigation, in-office communications, and in-office cleaning and maintenance.
- We will be putting out the Tumon Bay Lighting Phase II IFB soon.
- We should get the contract from ADK back soon.
- We are in negotiations with the highest rated bidder in Russia for marketing representation services.
- The contract is currently with the highest rated bidder for the Korean Concierge Pilot Program.
- We are in negotiations with the highest rated bidder for the Survey of Tourism Attitudes of Residents.
- We are in the evaluation phase of the VIP Video Production Project and the Japan In-Country Market Research RFP.
- We rejected a protest and sent a contract to the winning bidder for the Tumon Bus Shelter Project.
- The Island Road Maintenance Project is under administrative review. Vice President Taitague reported that while we are waiting to issue this contract, the Tamuning Mayor is assisting with the grass cutting/maintenance.

L. DESTINATION MANAGEMENT

M. GREATER CHINA

- o Director Kloppenburg reported that we will be hosting Shop Guam Festival media from China from October 17 to October 20.
- o He stated that a film crew from China will be coming to film two episodes of a popular children's show from October 24 to October 31.
- o He mentioned that the Shop Guam Festival Fam Tour from Taiwan was a success as we received great exposure.
- o He reported that beginning December 15, Hong Kong Express will begin direct flight service to Guam four times a week.
- o President Denight mentioned that we attended a race in Hong Kong to promote the United Airlines Guam Marathon.

VII. OLD BUSINESS

VIII. NEW BUSINESS

o Christmas Illumination

- Chairman Baldyga stated that the budget provides for \$300,000 for Christmas illumination. Of that \$300,000, half is allocated to Tumon and half is allocated to the Peace Festival at the Government House. He noted that technically, Board approval is not required to allocate the funds in this manner, but as a practical matter, he felt it was necessary to have a discussion about it.
- Director Kloppenburg expressed concerns about last year's Christmas Illumination Project and how this year we need to have a better presence.
- President Denight mentioned that there are some issues with power on the medians along Tumon Bay which affect the light displays.
- Chairman Baldyga asked President Denight to develop a proposal for the next Board meeting to determine if the budget is sufficient for both Tumon and the Peace Festival or if a supplement is needed.
- Director Arriola suggested that this year's project be similar to the Christmas Illumination Project done two years ago.
- There was a general consensus among Board members regarding this year's project and the allocation of funds.

o Resolution No: 2016-003 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.

- President Denight stated that we cannot grow without more air seats. This incentive program would allow for funds to be paid out based on performance, and performance would be actual charter flights.
- Director Kloppenburg recommended that the Japan team and JMC meet with the China team to discuss their experiences with China Airlines and incentive programs.
- Directors discussed amendments to the resolution.
- Director Shinoara suggested amending the motion as follows:
 - In the second RESOLVED paragraph, immediately after "efforts and opportunities" insert, "through various marketing activities and/or incentive programs"

Chairman Baldyga made a motion, seconded by Director Shinohara, to approve Resolution No: 2016-003.

Motion approved as presented and amended

o New bond

- Chairman Baldyga stated that Tumon has not had any significant investments in 20 years. Specifically, there are issues with roads, sidewalks, lights, and landscaping and these problems do not reflect the Tourism 2020 plan.
- He reported that Governor Calvo would like the old Governor's Palace constructed as the next step in the restoration and revitalization of Hagåtña.
- Ideally, Chairman Baldyga would like to put another 50 million dollars into the bond to completely upgrade Tumon Bay, but we risk running up against the debt ceiling.



- This bond would be presented to the Legislature sometime between November and January.
- Director Arriola and Director Guzman recommended having a construction manager from GVB oversee all projects funded by this bond.

IX. EXECUTIVE SESSION

X. ANNOUNCEMENTS

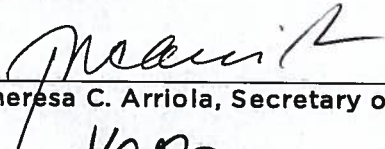
Upcoming Board Meetings:

- o Thursday, October 27, 2016 at 3:00 p.m., GVB Main Conference Room
- o Thursday, November 10, 2016 at 3:00 p.m., GVB Main Conference Room

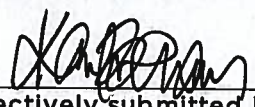
Announcements:

XI. ADJOURNMENT

Chairman Baldyga made a motion to adjourn the meeting. Meeting adjourned at 4:28 p.m.
Motion Unanimously Approved



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



Board Minutes respectively submitted by Karida Brennan, Executive Secretary

Action Items:

- Christmas Illumination Project → President & CEO to develop a proposal for next BOD meeting to determine if budget is sufficient for both Tumon and the Peace Festival
- Staff to provide a short recap of 2016 Smart Goals: Where we are and where we are going → Management and staff to submit 3rd quarter calendar year recap and in December, a 4th quarter calendar year recap to be used as transition tools for new Board
- VSO program: Management to follow up with the Legislature to allow VSOs to issue citations
- Research Department to produce a key statistics report at the end of the year to distribute to membership
- Management to set up workshop regarding GuestHouse issue – open to public → Management will schedule a meeting with DRT and 2 new hires in the next few months
- GM to follow up with DOA about payment for DRT auditors
- Update Tourism 2020 Plan → Working session held on 9/29/16 → Chairman Baldyga will work with management to update plan based on comments from working session and submit back to Board to finalize
- **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