



**BOARD OF DIRECTORS REGULAR MEETING**

Thursday, March 9, 2017 – 3:30pm  
Guam Visitors Bureau – Main Conference Room

**BOARD OF DIRECTORS PRESENT:**

Director Milton Morinaga	Director Bart Jackson
Director Sam Shinohara	Director Brad Kloppenburg
Director Theresa Arriola	Director Tak Takano
Director Young Hong	Director Robert Hofmann
Director William Nault	Director Katarina Sgro
Director Satoru Murata	Director Monte Mesa

**BOARD OF DIRECTORS TELEPHONICALLY:**

**BOARD OF DIRECTORS ABSENT:**

Director Eduardo “Champ” Calvo

**GVB MANAGEMENT & STAFF PRESENT:**

Jon Nathan Denight	Antonio Muna	Karida Brennan
Dee Hernandez	Russell Ocampo	Nico Fujikawa
Doris Ada	Lisa Linek	Colleen Cabedo
Meriza Peredo	Gina Kono	Laurette Perez
Josh Tyquiengco	Ana Cid	Nadine Leon Guerrero
Pilar Laguana	Regina Nedlic	June Sugawara
Mark Manglona	Nakisha Garrido	

**GVB MANAGEMENT & STAFF TELEPHONICALLY:**

**GUESTS:**

Lara Ozaki – Glimpses Publications  
Rianne Peredo – Glimpses Publications  
Joe Mesngon – Senator Dennis Rodriguez's Office

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**I. CALL TO ORDER**

Chairman Morinaga called the meeting of board to order at 3:30pm.

**II. MINUTES OF THE PREVIOUS MEETING**

Exhibit A

Director Jackson made a motion, seconded by Director Shinohara, to approve the minutes of the previous board of directors meeting dated February 9, 2017.

**Motion unanimously approved (Subject to minor revisions)**

**III. CHAIRMAN'S REPORT**

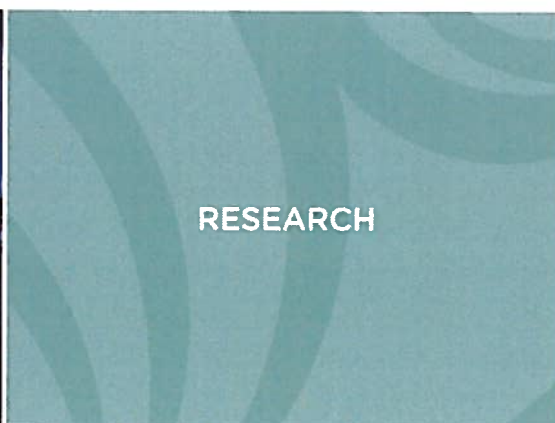
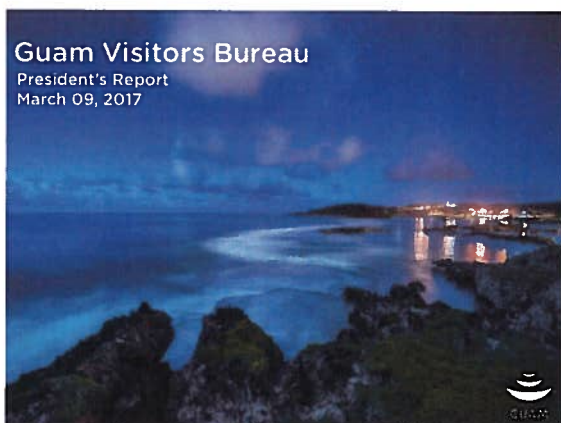
- Chairman Morinaga reported that the team just returned from a China Sales Mission and it went well. This mission changed his vision of China. There was a great turnout and the attendees were very information-hungry. The Chairman added that vendor presentations were interesting too. The press conference with Senator Rodriguez, Director of Global Marketing (DoGM) Laguana, and himself also went well. He thanked Senator Rodriguez for taking part in this mission. Chairman Morinaga shared that the team had the opportunity



visit the Alibaba headquarters and he noted that they were their first outside visitors. He went on to talk about Alibaba's travel app called Fliggy and how we signed a memorandum of understanding with the app operator. The Fliggy team has a platform to sell Guam for us and he is looking forward to seeing the app activity. He feels that travel agents have a very positive outlook on travel to Guam. The Chairman stated that the Consul General gave a presentation on how to visit the United States. Three documents are required: a valid passport, a valid Visa, and an electronic visa update system (EVUS), which he likened to an ESTA. He feels we should continue to support the market especially since there are now about 3.4 million people with a Visa. Vice Chairman Mesa asked if there is any way to determine where most of those Visas are issued from. He thinks we need to be tactical and target those areas. Director Shinohara reported that the office in Shanghai issues more Visas than the office in Beijing but people travel to those offices from a variety of different places. Director Hong added that this is a good time for Guam to attract Chinese tourists as they aren't traveling to Korea right now. Chairman Morinaga agreed that the politics between Korea and China is an issue so we need to be very careful with this market.

#### IV. PRESIDENT & CEO'S REPORT

- o President Denight thanked Chairman Morinaga for his support in the Chinese market. He noted that one of the main issues we've been having is less charter flights from China. This is due to a lack of rooms. President Denight stressed that hoteliers need to chip in with a certain room blockage in order to get charter flights. To close this discussion, he stated that we will continue to grow the market and focus on the higher end travelers. President Denight feels we will attract those visitors with the Visa restriction.
- o Chairman Morinaga added that he, President Denight, and DoGM Laguana met with Rear Admiral Chatfield. One item they discussed was Lunar New Year. She thanked the team for keeping her abreast of the peak season.





## February 2017

Preliminary Civilian Air Arrivals Total: 121,839 (-1.9%)

% Market Mix	Origin	Pax	% to LY
43.6%	Japan	53,091	-18.9%
42.0%	Korea	51,179	31.4%
4.5%	US/Hawaii	5,471	13.6%
3.0%	Taiwan	3,610	-19.5%
1.9%	China	2,370	-62.4%
1.1%	Philippines	1,284	56.2%
1.4%	Hong Kong	1,688	167.9%

## Calendar Year to Date 2017

January-February 2017 Total: 257,173 (+2.2%)

% Market Mix	Origin	Pax	% to LY
42.8%	Japan	110,128	-13.7%
41.8%	Korea	107,520	22.5%
4.9%	US/Hawaii	12,478	23.2%
2.6%	Taiwan	7,460	-8.6%
1.8%	China	8,423	-23.7%
1.0%	Philippines	2,516	60.9%
1.5%	Hong Kong	3,735	222.3%

## Fiscal Year to Date 2017

October 2016 - February 2017 Total: 648,797 (+5.1%)

% Market Mix	Origin	Pax	% to LY
45.0%	Japan	291,728	-7.8%
40.0%	Korea	259,519	21.1%
4.7%	US/Hawaii	30,377	12.3%
2.6%	Taiwan	17,181	0.0%
1.8%	China	11,810	-9.6%
1.5%	Philippines	9,543	69.3%
1.1%	Hong Kong	7,233	96.7%

## Month to Date 2017

March 1 - 6, 2017 Total: 26,146 (-2.0%)

% Market Mix	Origin	Pax	% to LY
43.2%	Japan	12,445	-25.6%
42.3%	Korea	10,187	55.8%
4.1%	US/Hawaii	1,193	6.7%
2.6%	Taiwan	439	-38.2%
2.2%	China	336	89.3%
1.1%	Philippines	250	17.4%
1.4%	Hong Kong	493	128.1%



### Japan Marketing News

#### 3 month Forecast

Month	Forecast	LY Arrival	% Arrival	2017 Seats	2016 Seats	% Capacity
March	70,000	75,256	-11.63%	82,300	95,798	-54.89%
April	51,000	49,295	1.46%	71,536	74,961	-4.57%
May	30,000	48,891	-2.27%	75,813	78,176	-3.27%

(Data Source: DfM, JGTA and other MI)

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April	51,000	49,295	1.46%	71,536	74,961	-4.57%
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## MARKETING





Japan Marketing News

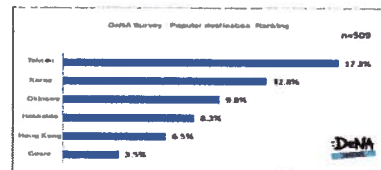
Guam Tourism Summit

- Summit to be held in all six (6) cities with direct flights
- Summit 1 – Sapporo, Sendai and Fukuoka (March 13-17, 2017)
- Summit 2 – Tokyo, Nagoya and Osaka (March 20-25, 2017)
  - Tokyo Summit to include Media Event featuring Mr. Kazutomo Miyamoto, former professional baseball player, sports commentator and avid Guam repeat visitor.
- Special thanks to our members
  - Outrigger Guam Beach Resort, Alamo Rent A Car, Alupang Beach Club, Underwater World, Sea Grill, Westin Resort Guam, Avis Rent A Car, Onward Beach Resort, Guam Plaza Resort and Spa, Guam Reef & Dive Spa Resort, Couture Naoke Wedding, Ken Premier Hotel, Sheraton Laguana Guam Resort, Hilton Guam Resort and Spa, Hotel Niika Guam, Starts Guam Golf Resort & Hotel, TWay, T Galleria Guam by DFS, Duist Thani Guam Resort, Delta Airlines, Japan Airlines, Hyatt Regency Guam, Hertz Asia Pacific, Baba Corporation, Atlantis Submarina, Coco Palm Beach Resort, Nippon Rent A Car, Baldyga Group, SandCastles The Beach, BIG Sunset Dinner Cruise, Ride the Duck, Fleeta Resort Guam, Fish Eye Marine Park, Holiday Resort & Spa Guam, Garden Villa Hotel, United Airlines, Lam Lam Tours & Transportation, Leo Palace Resort Guam, Royal Orchid Guam Hotel, Lotte Hotel Guam, Watabe Wedding, Guam Premier Outlet, Tumon Sands Plaza, and Japan Drone League

Japan Marketing News

Taiwan: most popular destination after Premium Friday introduced

- DeNA Travel survey on the government's leading Premium Friday, which will start in February 2017 to encourage workers in Japan to go home after 15:00 on the last Friday finds that:
- 1<sup>st</sup> Travel (70.9%) 2<sup>nd</sup> Staying home (46.4%) 3<sup>rd</sup> Shopping (36%) 4<sup>th</sup> Dining out (33.6) 5<sup>th</sup> Watching movie (27.1%)
- The most popular destination was Taiwan (17.3%), followed by Korea (12.8%), Okinawa (9.8%) and Hokkaido (8.3%)



Japan Marketing News

AirAsia X will Launch Honolulu service from Kansai

- AirAsia X currently serves Osaka with five weekly flights from Kuala Lumpur.
- They just announced that they will launch a new four times weekly originating from Kuala Lumpur-Osaka-Honolulu from June 28<sup>th</sup>.
- The planned aircraft to use is Airbus A-330-300 aircraft with 12 premium seats and 365 economy seats.

Japan Marketing News

MVA launching new brand image

- The Marianas
- Goal: Generate a new refreshing image for Northern Mariana Islands
- Tie all the islands together with a diverse image



Japan Marketing News

JAL Promoting Diversity

- Extending their mileage benefits to same-sex partners
- Expanding their "JAL Card Family Program" that allows members combine miles from family members

HTJ targeting school excursions

- Hawaii is strengthening their education program for visitors
- Last year more than 200 schools from Japan traveled to the US for ESL/exchange programs
- 178 schools selected Guam for the 2016-2017 school year with approximately 23,779 students

Japan Marketing News

Golden Week

- Charter flight seat capacity for Golden Week
- 2016: 3,777 vs 2017 2,901 (-876 seats)

Summer Charters

- Charter flight seat capacity for Summer period as of March
- 2016 9,519 vs. 15,348 (+5,829 seats, 161% increase)

Calendar Year	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Total
2017 Forecasted Seat Capacity	73,831	64,712	82,300	71,538	75,813	71,082	73,859	68,497	70,805	71,267	76,426	77,882	900,022
2016 Seat Capacity	91,942	90,344	95,798	74,961	78,376	74,942	77,043	96,987	82,757	75,884	74,649	81,293	924,976
Capacity vs. LY1	-20%	-28%	-14%	-5%	-3%	-5%	-4%	9%	14%	-3%	2%	-4%	-10%



Japan Marketing News

**JAL Hawaii Frequency during peak season**

- JAL will increase the number of flights to Honolulu from Narita and Osaka-Kansai (KIX)
- During the high demand season to five flights daily between Narita and Honolulu, and twice daily between Kansai and Honolulu

Route	Details of changes	Flight No.	Period	Aircraft (No. of seats)	Frequency
Narita + Honolulu	Increase from 21 to 28 weekly	8780/789	April 3, 2017 -	777-300ER (256)	Daily 4 Flts
	Increase from 28 to 25 weekly	8783/8781	April 28 - September 14, 2017	677-4 (196)	Daily
Osaka + Honolulu	Increase from 28 to 29 weekly	8790/8791	September 26 - October 25, 2017	877-4 (196)	Sat
	Increase from 7 to 14 weekly	8790/8791	April 27 - May 3, 2017	877-4 (196)	Daily
Kansai + Honolulu	Increase from 7 to 14 weekly	8790/8791	July 13 - August 26, 2017	877-4 (196)	Daily
	Increase from 7 to 13 weekly	8790/8791	September 27 - October 27, 2017	877-4 (196)	Daily excluding Sat

China Marketing News

**3 Month Airlift Forecast**

Month	Forecast Pass.	Last Year	% Change	Seat Forecast '17	Seat Data '16	% Change Seats
March	1778	1380	28.8%	4266	4014	10.8%
April	2000	1611	24.2%	4266	4014	10.8%
May	1948	1484	31.3%	4148	4014	7.8%

March	April	May
Shanghai UA : 2 flights per week +1882 (8737-790)	Shanghai UA : 2 flights per week +1882 (8737-790)	Shanghai UA : 2 flights per week +644 (8737-790)
Nationwide KE, estimated 2000 seats per month (A330-300)	Nationwide KE, estimated 2000 seats per month (A330-300)	Nationwide KE, estimated 2000 seats per month (A330-300)
Hong Kong -UA-4 flights per week-664 (A330-300)	Hong Kong -UA-4 flights per week-664 (A330-300)	Hong Kong -UA-4 flights per week-664 (A330-300)
-UO-3 flights per week-540 (A320)	-UO-3 flights per week-540 (A320)	-UO-3 flights per week-540 (A320)

China Marketing News

**China Sales Mission 2017**

February 27 - March 3, 2017

- Targeted (4) Key Cities: Beijing, Shanghai, Hangzhou & Guangzhou.
- The Sales Mission attracted over 400 trade participants.
- Guam tourism industry partners had a strong presence at this years event and we thank them for their successful participation.
  - Airbus Westing, Blue Pacific Tours, Dusit Thani Guam Resort, Dynamic Airways, Easy Travel Inc., Enterprise Rent a car, Golden Dragon Guam, Hilton Guam Resort & Spa, Korean Air, Lotta Hotels & Resorts, Lotta Duty Free, PFI Pacifica, T&E, Pogo Bay Resort, Philippine Airlines, T-Galleria, United Guam, United Airlines and Westin Guam Resort



China Marketing News

**2017 GVB China Sales Mission**

Media Interviews

B2B Meetings



China Marketing News

**2017 MOU Signing Ceremony Between GVB and Fliggy**

- Dates: Feb 28, 2017
- Introduced Fliggy and Guam to 40 key media in Shanghai
- GVB Signed an MOU with Fliggy



China Marketing News

**GIAA Meetings**

- Meetings with Hainan Airlines, Juneyao Airlines, Loong Air & HK Express
- Date: Feb 27, 28, Mar 1, 2017
- Participants:
  - o Senator Dennis Rodriguez Jr., Senator of Tourism
  - o Mr. Milton Morinaga, Chairman of the Board of Directors, GVB
  - o Ms. Pilar Laguana, Director of Global Marketing, GVB
  - o Ms. Kate Meng, ASM - GIAA Consultant
  - o Reps of Hainan Airlines, Juneyao Airlines, Loong Air and HK Express



### Korea Marketing News



#### Honorary Guam Ambassador

- GVB has partnered with Korean Actor Song Seung Heon as Guam's Honorary Ambassador.
- Mr. Song was on-island from March 6-9, 2017 to generate promotional content.
- On March 7<sup>th</sup>, Mr. Song had a courtesy visit with Governor Eddie B. Calvo and photo and video shoot with GVB President & CEO, Nathan Denight.
- Materials generated will be used towards
  - Promotional Content
    - Portrait Rights
    - Promotional Materials
    - Online & Print Advertisements
    - Trade Shows

## DESTINATION

### Håfa Adai Pledge News

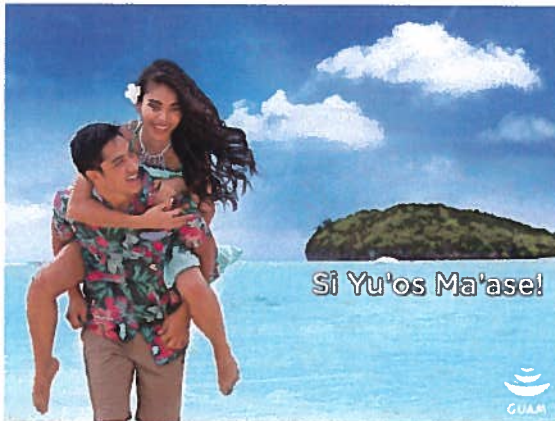
#### 700<sup>th</sup> HAP Signing

- New milestone reached: 700<sup>th</sup> Håfa Adai pledge was held at the Amot Farm earlier today
- American President Lines took the pledge on March 7
- Other recent pledges include all ABC stores, Great National Insurance, SM Island and GItforia
- 34<sup>th</sup> Guam Legislature will take the pledge tomorrow at 2 p.m.
- Requesting full support of board, management and staff to attend
- HAP program started in 2009 and now represents 33,800 individuals



### Tourism Works campaign

- Education Campaign
  - Poster Contest (WAVE Clubs in Elementary & Middle School)
  - Video Contest (WAVE Clubs in High School)
- Public Relations Campaign
  - Tourism Works Weekly Profile Feature (KUAM)
  - Tourism Works Fun Facts Social Media and Radio Contest (KUAM)
  - Guam All Around 360 View (KUAM)
  - Tourism Works CEO Weekly Column (Pacific Daily News)
- Community Outreach Campaign
  - Tourism Talk Tours
- Media Campaign
  - 30 second Radio Ads (Culture, Economy, Environment, Businesses, Sports & Events) on KUAM radio stations
  - Tourism Works Fun Fact Ads in The Guam Daily Post
  - 60 second Television Commercial





V. TREASURER'S REPORT

Exhibit B

FY 2016						
	Appropriation	Received to Date		Balance		
Operations	\$ 21,044,191.00	\$ 21,044,191.00	100%	\$ -		0%
Destination Development	\$ 1,235,000.00	\$ 1,235,000.00	100%	\$ -		0%
Rainy Day Fund	\$ 200,000.00	\$ 200,000.00	100%	\$ -		0%
Cultural & Sports Ambassador Fund	\$ 200,000.00	\$ 200,000.00	100%	\$ -		0%
Pass-Thru	\$ 750,000.00	\$ 712,500.00	95%	\$ 37,500.00		5%
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%
<b>TOTAL</b>	<b>\$ 26,379,191.00</b>	<b>\$ 26,341,691.00</b>		<b>\$ 37,500.00</b>		
<b>TOTAL RECEIVABLES FY 2016</b>				<b>\$ 37,500.00</b>		

FY 2017						
	Appropriation	Received to Date		Balance		
Operations	\$ 21,282,472.00	\$ 8,061,704.00	38%	\$ 13,220,768.00		62%
Destination Development	\$ 1,085,000.00	\$ 452,083.00	42%	\$ 632,917.00		58%
Rainy Day Fund	\$ 200,000.00	\$ 83,333.00	42%	\$ 116,667.00		58%
Cultural & Sports Ambassador Fund	\$ 200,000.00	\$ 83,333.00	42%	\$ 116,667.00		58%
Pass-Thru	\$ 885,000.00	\$ 430,433.50	49%	\$ 454,566.50		51%
<b>TOTAL</b>	<b>\$ 23,652,472.00</b>	<b>\$ 9,110,886.50</b>		<b>\$ 14,541,585.50</b>		
<b>TOTAL RECEIVABLES FY 2017</b>				<b>\$ 14,541,585.50</b>		
<b>TOTAL RECEIVABLES</b>				<b>\$ 14,579,085.50</b>		

**Accounts**

**RESTRICTED**

Bank of Guam - Rainy Day Fund	\$ 2,167,802.48
Bank of Guam - FESTPAC Trust Account <sup>1</sup>	\$ -
Cultural & Sports Ambassador Fund	\$ 428,933.00
<b>TOTAL</b>	<b>\$ 2,596,735.48</b>

**UNRESTRICTED**

Bank of Guam - Operations	\$ 11,916,651.72
First Hawaiian Bank - Membership	\$ 119,531.50
Resona	\$ 870,782.89
Bank of Guam - TAF	\$ 2,220,235.50
Raymond James - CD value as of 1/31/2017 <sup>2</sup>	\$ 2,526,491.38
<b>TOTAL</b>	<b>\$ 17,653,692.99</b>
<b>TOTAL as of 3/3/2017</b>	<b>\$ 20,250,428.47</b>

**Current Payables**

Asatsu invoices NOV - JAN	\$ 952,551.81
Japan Invoices	\$ 67,313.06
Guam Invoices	\$ 315,152.38
Encumbered Contracts	\$ 4,613,829.17
Encumbered Purchase Orders	\$ 132,753.39
FESTPAC Trust Account	\$ -
<b>TOTAL as of 3/3/2017</b>	<b>\$ 6,081,599.81</b>

**NOTES**

**NOTE 1**

\$432,413.13	FESTPAC
<del>(\$432,413.13)</del>	FESTPAC expenditures - reimburse Operations
<b>\$0.00</b>	

**NOTE 2**

\$1,410,204.06	Morgan Stanley/Raymond James CD
<del>(\$86,542.00)</del>	Board approved \$86,542 on 07/23/15 for Department Revenue & Tax Auditors
<del>(\$700,000.00)</del>	Board approved \$700,000 on 02/25/16 for Pale San Vitores Road Bus Shelter Project
<del>(\$150,000.00)</del>	Board approved \$150,000 on 07/14/16 for Pale San Vitores Road Bus Shelter Project
<b>\$473,662.06</b>	

March 3, 2017

- o Director Shinohara reported that we collected our outstanding 2016 allotments. The only items pending are pass through funds but once we receive them, we will disperse them to the entitled entities.





- o He also stated that we completed the FY2016 financial audit with a clean report. He hopes that by the next board meeting or the meeting immediately thereafter, the auditors will attend and brief the board on their findings. Director Shinohara and President Denight thanked the accounting team. President Denight also mentioned that this is the 7<sup>th</sup> consecutive year that we have had a clean audit.
- o President Denight gave a final report on FestPac. He stated that the festival organizing committee had its closeout meeting a little over a week ago. He directed the board to the FestPac final budget handout in their binders. At the end of the event, we were under-budget with \$163,000 left in the account. The remaining \$163,000 did not include a request from the Department of Education (DOE) to pay for their utilities and overtime. President Denight asked the board to keep in mind that this request was not made prior to the event, so the organizing committee did not budget for it. The committee entertained this request during their meetings and members decided to disperse the \$163,000 to DOE to cover the utilities and overtime costs. President Denight and Rose Ramsey, the festival director, presented the check to Jon Fernandez and some members of the DOE board. President Denight said that we are now working with the public auditor on the post audit, which should be coming out in the next few months. He reminded everyone that the public auditor asked GVB to take over the finances for the event last April. He thanked the board for allowing the team to provide that support and he looks forward to a positive audit. Director Arriola asked if there any entities that have not been paid for their services for FestPac. If so, she feels this may raise some public relations concerns for us. President Denight stated that that is a very general question because many entities were involved in the event. He added that there were policies and procedures in place for the handling of these finances. Some entities came with expenses that did not follow the process or the expenses were not part of the budget approved by the committee. In cases like this, the entities were not paid. President Denight stated that we did not want to violate the procedures that were set forth but we tried to help all involved as much as possible. As we move forward, the post audit will be the final step. Director Arriola inquired about the true cost or total investment of hosting FestPac. President Denight stated that we can work on coming up with a number.

## VI. REPORT OF THE BOARD COMMITTEES

### A. EXECUTIVE COMMITTEE

#### TESTIMONY ON BILL 08-34

Attachment A

Vice Chairman Mesa made a motion, seconded by Director Shinohara, to ratify Executive Committee's approval of GVB's testimony on Bill 08-34 (COR) - An Act to add a new Chapter 8 to Title 11 Guam Code Annotated known as "The Cannabis Control Act" relative to regulating the use, production, sale and taxation of cannabis, and the declassification of marijuana as a Schedule I Controlled Substance under the Guam Uniform Controlled Substances Act."

Motion approved

- o Director Jackson asked why this testimony was not discussed with the board as a whole. In similar cases moving forward, he would like to see the testimony at draft level prior to submission so all members have an idea of the position being taken. The board agreed that all members should discuss issues like this in the future. Vice Chairman Mesa stated that the previous board meeting was cancelled due to a lack of quorum and this testimony was time sensitive, so it had to be sent to the Executive Committee for approval.





**8<sup>TH</sup> ANNUAL CHAMORRO CULTURAL FESTIVAL AND US-GUAM CHAMORRO DANCE ACADEMY**

Vice Chairman Mesa made a motion, seconded by Director Arriola, to ratify Executive Committee's travel approval for Master Frank Rabon and 2 assistants to attend the 8<sup>th</sup> Annual Chamorro Cultural Festival and conduct the US-Guam Chamorro Dance Academy in San Diego, California from March 22-27, 2017. (Estimated cost up to \$10,382.00 from Acct No. DM-CPO006).

**Motion approved**

<b>Airfare</b>	3	\$2,000.00		\$6,000.00
<b>Per Diem</b>				
Lodging	3	\$162.00	5	\$2,430.00
M&IE	3	\$64.00	6	\$1,152.00
<b>Prof Fee</b>				
Master	1	\$100.00	4	\$400.00
Assistants	2	\$50.00	4	\$400.00
Acct No. DM-CPO006				<b>\$10,382.00</b>

**Background:** The Bureau will continue to work closely with various active stateside Chamorro dance groups with the continuation of the US-Guam Chamorro Dance Academy workshop, which was launched in 2014. Four Chamorro cultural groups from Southern California will be participating in the workshops as well as perform at the Annual Chamorro Cultural Festival.

**Issue:** Board approval required for all travel.

**GOVERNOR'S TRAVEL TO CHAMORRO CULTURAL FESTIVAL & HOT BOND MEETINGS**

Vice Chairman Mesa made a motion, seconded by Director Jackson, to ratify Executive Committee's travel approval for the Governor to join the Guam Delegation at the Annual Chamorro Cultural Festival in San Diego, CA from March 24-25, 2017 and to attend HOT Bond Meetings in San Francisco, CA from March 26-28, 2017. Cost is approximately \$3,917.50 from the Business Development Account.

**Motion approved**

Estimated Airfare	\$2,000.00
Per Diem - San Diego (\$293.80 X 2 Days)	\$ 587.60
Per Diem - San Francisco (\$443.30 X 3 Days)	\$ 1,329.90
<b>TOTAL:</b>	<b>\$ 3,917.50</b>

**Background:** The Governor will be in Honolulu attending the National Oceanic and Atmospheric Administration's PRIMO Conference from March 20-23, 2017. It was requested for GVB to fund his travel to join the Guam Delegation at the Che'lu Chamorro Festival in San Diego, CA. Thereafter, the Governor will travel to San Francisco, CA for meetings with bond rating agencies regarding the HOT Bond. He will also meet with bond underwriters to discuss the refinancing of the HOT Bond.

**Issue:** Board approval required.





- o Vice Chairman Mesa mentioned that President Denight discussed the following agreement with GEDA: If we are successful in refinancing the HOT bond on this mission, a portion of the proceeds will be used to reimburse GVB for this leg of the Governor's trip.

## B. RESEARCH

Director Shinohara made a motion, seconded by Director Jackson, to approve authorization of the President and CEO, as Chief Procurement Officer of GVB, to enter into negotiations with the highest-ranking qualified Offeror in response to GVB RFP 2017-006 DATA ANALYTICS SOFTWARE AND INTERACTIVE DASHBOARD DEVELOPMENT and if successful, enter into contract.

**Motion approved**

**Background:** GVB is in the process of implementing a new smaller Guam Customs & Agricultural Declaration Form in partnership with the Guam Customs & Quarantine Agency. The development of this form requires the implementation of a new data analytics software. This software will enable near real time reporting integrated with GVB's corporate website and made available to the general public to view GVB reports and/or create custom reports.

- o Director Shinohara directed the board to the new customs form in their binders and then gave the floor to Director of Tourism Research (DoTR) Cid. DoTR Cid stated that we will be switching to the smaller form which is in line with the RFP that was launched two weeks ago and will close on March 17. Chairman Morinaga recalled travel agents printing their own forms in the past, which disrupted the scanning process. He asked how we can avoid that moving forward. DoTR Cid mentioned that we have a procedure in place now. We provide print specifications along with the form for anyone who is interested in printing their own. Additionally, those who print their own are required to print a minimum of 100 forms, which we first test for scanability.

## C. RUSSIA & NEW MARKETS

- o Director Jackson reported that next week we have a team that will be attending MITT. The team will also be attending a meeting to discuss charter flights with the possibility of direct flights to Guam. He mentioned that Saipan has direct flights and we would like the same opportunity. Without these flights, the Russian market will continue to see just three to four thousand arrivals per year. In closing, he stated that the market is improving as the ruble stabilizes.

## D. VISITOR SAFETY & SATISFACTION

- o Director Hong reported that the committee will meet on the third Tuesday of every other month. The first meeting will be on March 21. Committee members will consist of representatives from the following agencies/companies: GPD, GFD, DRP, EPA, BSP, GHRA Safety & Security, Docomo and the Lieutenant Governor's office.
- o She then touched on the Visitor Industry Professional (VIP) Program. Negotiations are ongoing for video production and the program is expected to launch by October 2017.
- o Next, Director Hong stated that the team is scheduling a beach inspection in the evening sometime next week to identify the dark areas that need lighting for safety.
- o Lastly, she mentioned that all of the crosswalk signs along San Vitores Road will be replaced. This should be completed by the end of March.



**E. CULTURAL & HERITAGE**

- o Director Arriola reminded the board that March is Chamorro Month. She appreciates any way members can promote the culture in the areas of business. She went on to thank the team for using the Chamorro culture as the center of recent promotions.
- o Director Arriola then announced that she will be attending the upcoming Chamorro Cultural Fair. She thanked the board for supporting the delegation that will be attending, especially Master of Chamorro Dance, Frank Rabon. She feels that above all else, workshops from our masters have a lasting Impact. She was also happy to report that Governor Calvo will be attending.

**F. SPORTS & EVENTS**

**Committee minutes dated February 21, 2017**

**Exhibit C**

- o Director Sgro reported that we had the press conference for the United Airlines Guam Marathon a couple weeks ago. We currently have about 2,000 registered runners. Director Shinohara added that we may have north of 2,000 runners and numbers are climbing every day. He went on to say that as of the press conference, registration was 30% higher than it was around this time last year. Director Hong stated that at the press conference, it was announced that we are expecting about 4,500 participants this year.
- o President Denight then touched on the Ko'ko' Road Races (KKRR). He proposed a few changes to the event based on feedback from the race organizer, Guam Sports Events, Inc. The first change would be the race course. He would like to differentiate the course from the United Airlines Guam Marathon and bring the race to Agana. He feels that with the new developments, Agana would be a picturesque location with the museum as the starting point and the FestPac huts as the location for the closing events. President Denight added that the run towards the south will be less challenging than the current route. Next, he'd like to remove the part of the law that links the KKRR to the Guam Micronesia Island Fair (GMIF). Initially, the two were linked together so that agencies like the Guam Police Department and the Guam Fire Department would be required to assist at both events. President Denight does not think gaining their assistance will be an issue as we work closely with them on several other projects. Finally, if approved by the board, President Denight proposed changing the name to the Guam Half Marathon. The Ko'ko' bird will still be the mascot for the event and we will continue to promote it, but most people do not know what a "road race" is. We will still remain committed to this race, but our goal is to attract international visitors. This change will make it clear to potential visitors that the event is a half marathon, which is currently the most popular race distance. He added that we will still have the 10k and 5k races as part of the event. If the board approves these changes, President Denight will then discuss them with our oversight chair, Senator Dennis Rodriguez. Coming from JGTA and JGTC, Chairman Morinaga's only concern is that Japan has already started marketing the event with the original name (KKRR). He is not against changing the name, but he feels this should take effect for the event in 2018. This will give all ample amount of time to market the event with the new name. President Denight noted that we will launch the event in May and registration will open in June. Chairman Morinaga asked Director Murata to email members of the JGTA to get their feedback. If JGTA members support it, then he will approve. Director Jackson also suggested presenting it to the JMC. President Denight agreed to work with all stakeholders but as this is time sensitive, we need to decide now. Director Arriola suggested that President Denight begins the process of writing the Legislation but before introducing it, we consider the feedback from all stakeholders. The board was in agreement.



**G. ADMINISTRATION & GOV'T RELATIONS**

- o President Denight stated that the Vice President/Deputy General Manager position has been vacant. After consulting with the Governor, he decided to appoint Mr. Antonio Muna, Jr. for said position. He then asked if any member would like to make the motion as he needs the advice and consent of the board to move forward.

Director Shinohara made a motion, seconded by Director Jackson, to approve President Denight's recommendation of the appointment of Antonio Muna, Jr. as the Vice President/Deputy General Manager of Guam Visitors Bureau.

Motion approved

- o Vice President Muna thanked the board for putting their trust in him. He also thanked President Denight for giving him the opportunity to work with the management and staff in this new capacity. He feels the team has had a lot of success over the last few years and we will continue to build upon that success and do greater things for the people of Guam.
- o The board congratulated Vice President Muna.

**H. DESTINATION MANAGEMENT**

- o Vice Chairman Mesa inquired about the status of the negotiations for the consulting firm. President Denight reported that we are finalizing the contract. We are moving forward with the first task order as it is an IDIQ with Willy Flores Group. He stated that we will start with the planning of the tourism district plan. President Denight then added that Vice Chairman Mesa met with the destination management subcommittee that will be helping with that planning. Vice Chairman Mesa stated that he met with the subcommittee to review the work that the previous board started. The next step will be for the consultant to look at pricing of infrastructure improvements. Chairman Morinaga suggested that the subcommittee starts a timeline noting all important dates (start dates, end dates, etc.). Director Mesa noted that the committee's budget has never been passed for these destination management projects. One possible solution might be utilizing any surplus funds we have after six months. President Denight stated that the only two projects that the board has funded for CIP are the streetlights (materials are on island and we awarded the labor side of it) and the bus shelter project, which should be completed by the summer.

**I. GREATER CHINA**

Committee minutes dated February 10, 2017

Exhibit D

- o Director Shinohara thanked the Chairman for his support on the recent China Sales Mission.
- o He mentioned that the next GCMC meeting is tomorrow so he will have more to report at the next board meeting.
- o DoGM Laguana shared that the China trip went well but we have some new developments in the other markets, namely Taiwan with aviation. The team will get more details at the committee meeting tomorrow and then they will share them with the board.

**J. JAPAN**

Committee minutes dated February 14, 2017

Exhibit E   
GUAM

**JATA KYUSHU TRIP (26 MAR - 28MAR, 2017)**

Director Takano made a motion, seconded by Vice Chairman Mesa, to approve travel for one GVB Japan staff to join JATA Kyushu Trip from March 26 – March 28, 2017. (Estimated cost of travel \$1,265.00, Account #SMD003).

**Motion approved**

Travel Expenses

Airfare:	\$1000.00 x 1 pax	\$1000.00
Taxes:	\$60.00 x 1 pax	\$60.00
JP Transportation to/from airport:	1 pax	\$80.00
Guam Per Diem:	62.50 x 2 nights x 1 pax	\$125.00
<b>Total:</b>		<b>\$1,265.00</b>

**Background:** Japanese tourists to Guam have been declining by year. Although it is the 30<sup>th</sup> anniversary this year to serve one and only direct flight to Fukuoka, load factor of United Airlines is poor and it is concerned that the service itself may discontinue. JATA Kyushu Chapter recognize that promoting demand to travel to Guam, the nearest United States, and maintaining Fukuoka-Guam direct flight are the urgent tasks. Therefore, JATA Kyushu decided to organize JATA Kyushu Chapter training trip to Guam, through cooperation by United Airlines. The trip is meant for executives of administrative agents to visit Guam to rediscover its allure and have productive discussion with GVB to restore demand for Guam.

- o Arrival breakdown: 9 JATA Kyushu (FUK), 2 UA (1 NRT & 1 FUK), 1 GVB Japan (KIX)

- o General Schedule

1<sup>st</sup> day (3/25 Sat) : UA166 FUK/GUM 11:50/16:25 (Some of them are coming on Saturday and the rest of them are coming on Sunday.)

2<sup>nd</sup> day (3/26 Sun) : Inspection / Golf / Meeting with UA

3<sup>rd</sup> day (3/27 Mon) : Inspection / 18:30 meeting and welcome dinner reception

4<sup>th</sup> day (3/28 Tue) : Back to Fukuoka by UA165 GUM/FUK 07:35/10:50

- o Delegation member

<JATA Kyushu>

1, Mr. Isao Nakatsu, President of KNT Kyushu (Branch Chief of JATA Kyushu)

2, Mr. Kazuyoshi Furuta, President of JTB Kyushu (Deputy Branch Chief of JATA Kyushu)

3, Mr. Tatsuya Seguchi, President of Nishitetsu Travel (Deputy Branch Chief of JATA Kyushu)

4, Mr. Hiroshi Yamada, General Manager, Kyushu Regional Headquarters of NTA (Former Branch Chief of JATA Kyushu)

5, Mr. Fumitake Matsuoka, Branch Manager, Overseas Travel Planning & Operation Center, KNT Kyushu (Overseas Travel Committee member of JATA Kyushu)



6, Mr. Shuichi Matsuda, General Manager, Overseas Travel Dept., JTB Kyushu (Overseas Travel Committee Chairman of JATA Kyushu)

7, Mr. Tsukasa Tanaka, General Manager, Planning & Promotion Div., Nishitetsu Travel (Overseas Travel Committee member of JATA Kyushu)

8, Mr. Yasuo Tsuji, Manager, Kyushu Regional Headquarters of NTA (Overseas Travel Committee member of JATA Kyushu))

9, Mr. Toshikazu Nagaoka, Executive Director of JATA Kyushu

10, Ms. Hitomi Yamamoto, Kyushu Regional Sales Manager, UA

<GVB Japan>

1, Ai Nagasawa, Sales & Marketing Representative, Western Japan

**Issue:** Board approval required for all travel

#### K. KOREA

Committee minutes dated February 14, 2017

Exhibit F

- o Director Jackson reported that the numbers continue to increase and the market is doing well.
- o He then mentioned that the Ambassador for Guam Tourism from Korea, Mr. Song Seung Heon recently visited the island.
- o He added that we had a Sony Korea promotion in February.
- o Lastly, he reported that the team will be taking a quick day and a half trip to Korea next week. There have been some management changes here and within the HIC office. This is an opportune time to get everyone on the same page as we move forward. The team will also be looking at a potential site for a festival that is being planned for June.

#### L. MEMBERSHIP & COMMUNITY OUTREACH

- o Director Arriola inquired about the date for the next membership meeting. Director Kloppenburg stated that the date has not been confirmed yet.
- o Chairman Morinaga shared that he would like for those who took part in the China Sales Mission to speak briefly at the next membership meeting about supporting the market.

#### M. NORTH AMERICA & PACIFIC MARKETS

- o Director Hofmann reported that the PATA Micronesia Chapter First Tri-Annual Meeting will be in Pohnpei from March 29 to March 31.
- o He then shared that the team is looking for advertisement for the commemorative booklet for the upcoming 100<sup>th</sup> Anniversary of the SMS Cormoran II Scuttling. Chairman Morinaga inquired about first responders being present as diving will be apart of the ceremony. DoGM Laguana added that the two ceremonies will be held on April 7. There will be a peace tribute at Apra Harbor in the morning and then a peace memorial service at the US Naval Cemetery in the afternoon. She hopes to get a good showing from the GVB team as this event is important for the preservation of military and scuba diving history. DoGM



Laguana also shared that a grandson of one of the crewmembers will be participating and the T. Stell Newman Visitor Center will be giving free lectures on the SMS Cormoran II and the Tokai Maru. Lastly, she stated that we have an ongoing promotion where \$50 will be awarded to those who go diving within a specific two week period surrounding the anniversary.

VII. OLD BUSINESS

VIII. NEW BUSINESS

Chairman Morinaga made a motion, seconded by Vice Chairman Mesa, to change the date of the first board meeting in April from Thursday, April 13 at 3:30pm to Wednesday, April 12 at 3:30pm.

Motion approved

- o Chairman Morinaga will be traveling on the regularly scheduled meeting date.

IX. EXECUTIVE SESSION

X. ANNOUNCEMENTS

Upcoming Board Meetings:

- o Thursday, March 23, 2017 at 3:30pm, GVB Main Conference Room
- o Wednesday, April 12, 2017 at 3:30pm, GVB Main Conference Room

Announcements:


- o President Denight invited the board to the Håfa Adai Pledge Signing at the Legislature tomorrow at 2pm. Members of the 34<sup>th</sup> Guam Legislature will be taking the pledge.

XI. ADJOURNMENT

Director Arriola made a motion, seconded by Director Shinohara, to adjourn the meeting. Meeting adjourned at 4:50pm.

Motion unanimously approved

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

  
\_\_\_\_\_  
Board Minutes respectively submitted by Karida Brennan, Executive Secretary



**Action Items:**

1. VSS Committee to find solution for lighting issue along beaches
  - o Lighted sidewalks
  - o Lights provided by hotels, but not projected over water
2. Assignment of the Chairperson for the Administration and Government Relations Committee