



## BOARD OF DIRECTORS REGULAR MEETING

Wednesday, April 12, 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 Monte Mesa
Director Young Hong	Director Satoru Murata
Director William Nault	

### BOARD OF DIRECTORS TELEPHONICALLY:

### BOARD OF DIRECTORS ABSENT:

Director Eduardo "Champ" Calvo	Director Tak Takano
Director Robert Hofmann	Director Katarina Sgro

### GVB MANAGEMENT & STAFF PRESENT:

Jon Nathan Denight	Antonio Muna	Karida Brennan
Russell Ocampo	Nico Fujikawa	Rose Cunliffe
Doris Ada	Colleen Cabedo	Brian Borja
Meriza Peredo	Gina Kono	Kraig Camacho
Josh Tyquiengco	Ana Cid	Elaine Pangelinan
Pilar Laguana	Regina Nedlic	June Sugawara
Mark Manglona	Nakisha Garrido	

### GVB MANAGEMENT & STAFF TELEPHONICALLY:

### GUESTS:

Jason Lin - Talent Basket LLC  
Joe Mesngon - Senator Dennis Rodriguez's Office

## I. CALL TO ORDER

Chairman Morinaga called the meeting of board to order at 3:43pm.

## II. MINUTES OF THE PREVIOUS MEETING

Exhibit A

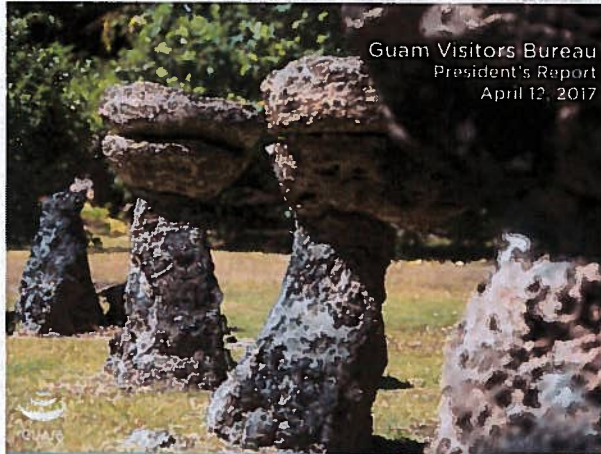
Director Jackson made a motion, seconded by Director Shinohara, to approve the minutes of the previous board of directors meeting dated March 9, 2017.

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

## III. CHAIRMAN'S REPORT

- o Chairman Morinaga reported that the United Airlines Guam Marathon (UGM) was a success and he thanked all who volunteered. He added that we had good exposure and we also saw an increase in Japanese and Korean visitors.
- o Next, he reported that the Cormoran anniversary event went smoothly. He thanked all those who had a role in the event.

IV. PRESIDENT & CEO'S REPORT



Guam Visitors Bureau  
President's Report  
April 12, 2017

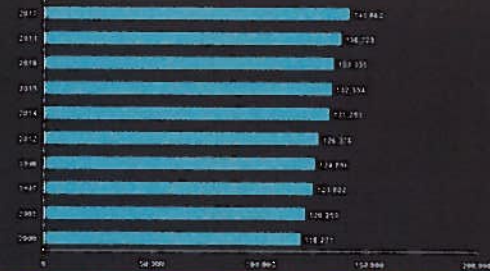
**March 2017**

Preliminary Visitor Arrivals Total: 140,662 (+5.5%)

% Market Mix	Origin	Pax	% to LY
50.7%	Japan	71,384	-9.9%
36.5%	Korea	51,390	49.2%
0.9%	China	1,330	-3.9%
1.4%	Hong Kong	1,924	103.8%
2.6%	Taiwan	2,853	-12.3%
4.5%	US/Hawaii	6,348	-2.4%
0.9%	Philippines	1,284	-38.3%

**RESEARCH**

**Top March Arrivals**



**Calendar Year to Date 2017**

Total: 410,131 (+1.3%)

January - March 2017

% Market Mix	Origin	Pax	% to LY
44.6%	Japan	182,777	-14.5%
38.7%	Korea	158,912	27.3%
1.9%	China	7,766	-21.6%
1.4%	Hong Kong	5,659	162.6%
2.5%	Taiwan	10,313	-12.0%
4.9%	US/Hawaii	20,100	5.1%
0.9%	Philippines	3,837	2.6%

**Fiscal Year to Date 2017**

Total: 801,060 (+3.8%)

October 2016 - March 2017

% Market Mix	Origin	Pax	% to LY
45.5%	Japan	364,377	9.5%
38.8%	Korea	310,818	23.7%
1.6%	China	13,153	-9.6%
1.1%	Hong Kong	9,157	95.9%
2.5%	Taiwan	20,034	-3.5%
4.7%	US/Hawaii	38,001	5.4%
1.4%	Philippines	10,864	39.0%

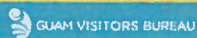


Month to  
Date 2017

Total: 37,427 (14.0%)

April 1 - 9, 2017

% Market Mix	Origin	Pax	% to LY
44.5%	Japan	16,638	2.5%
40.0%	Korea	14,982	32.8%
1.5%	China	572	8.5%
1.4%	Hong Kong	523	92.3%
3.1%	Taiwan	1,157	4.2%
5.0%	US/Hawaii	1,863	11.9%
1.6%	Philippines	591	12.8%



MARKETING

JAPAN AIR SERVICE SUPPORT PLAN

CURRENT SITUATION

- Decline in arrivals
  - Challenges: Weak yen, decreased outbound, increase in Guam pricing, increased competition from Asia & Hawaii
- Decline in seat capacity
  - Loss of flights from secondary cities; only 1 flight from Japanese carrier, increase in airfares
- Loss of market share: Guam trending below 5%

JAPAN AIR SERVICE SUPPORT PLAN

PURPOSE

- Increase airline seat capacity from Japan to Guam
- Incentivize existing carriers to add more flight capacity
- Attract new airlines to start regular scheduled service
- Provide support to offset the start up costs

JAPAN AIR SERVICE SUPPORT PLAN

AIR SEAT CAPACITY TO GUAM

	2006	2010	2016
JAPAN	1.2 M	1.3 M	972 K
KOREA	155 K	170 K	641 M
TAIWAN	20.4 K	35.2 K	65.8 K
PHILIPPINES	106 K	112 K	171 K
HONG KONG	16.1 K	11.9 K	35.9 K

JAPAN AIR SERVICE SUPPORT PLAN

EXISTING CARRIERS

- Support amount: up to \$250,000 per NEW regular flight for the year of service between NRT, KIX, or NGO and Guam
- Requirements
  - 1 full year commitment
  - \$250K, minimum of 4 flights per week
  - Does not include charter flight service
  - Must be 737/A320 or larger aircraft
  - Offer is only available for services launched before 31<sup>st</sup> December 2018

JAPAN AIR SERVICE SUPPORT PLAN

## NEW CARRIERS

- Support amount: up to \$250,000 per NEW regular flight service for the year between NRT, HND, KIX, or NGO and Guam
- Requirements
  - 1 full year commitment
  - \$200K, minimum of 4 flights per week
  - Does not include charter flight service
  - Must be 737/A320 or larger aircraft
  - Offers only available for services launched before 31<sup>st</sup> December 2018

JAPAN AIR SERVICE SUPPORT PLAN

## BUDGET

- Maximum 4 airlines or "4 routes" at \$250,000 = \$1,000,000
- Seats are "one way" per year
- Est 150 seats x 4 times weekly = 31,200 per year
- Est 150 seats x 7 times weekly = 54,600 per year
- Est max: 54,600 x 4 flights = 218,400 seats

JAPAN AIR SERVICE SUPPORT PLAN

## PAYMENT TERMS

- Minimum of 100 seats per new regular flight
- If airline fails to meet requirements, funds must be returned
- 50% paid at commencement of service
- Balance paid at end of 12-month period (1 year)

JAPAN AIR SERVICE SUPPORT PLAN

## ECONOMIC IMPACT

- 90% load factor + 97% inbound + staying on average 4 nights + spending \$100 per night will generate \$76 million
- 75 to 1 return on the investment

### Philippines Marketing News

### Philippines Marketing News

#### Third Quarter Plans (April)

- 1) SMS Cormoran & United Marathon Media Famtour
  - Travel Life Magazine
  - [www.wanderlass.com](http://www.wanderlass.com)
  - [www.lakwatsero.com](http://www.lakwatsero.com)
- 2) Digital Coop Campaign with Cebu Pacific Air
- 4) MICE Incentive Program for MICE Travel Agents
- 6) Platinum Key Service - US Commercial Services
- 7) Social Media Campaign

#### Third Quarter Plans (May)

- 1) Guam Micronesia Island Festival (GMIF) Media Famtour in partnership with Cebu Pacific Air
  - ABS - CBN's multi awarded TV Show: Matanglawin
  - Kim Atienza - Host
  - Wii Dasovich - Co-Host / Vlogger
- 3) MICE Product Presentation to top corporate accounts in partnership with airlines and trade partners
- 4) Roadshow in Cebu, Bacolod, Iloilo in partnership with Cebu Pacific
- 5) Platinum Key Service - US Commercial Services



**Philippines Marketing News**

**Third Quarter Plans (June)**

- 1) MICE Travel Agents Famtour in partnership with Cebu Pacific
- 3) Sports Product Update for athletic coordinators, coaches and trade partners specializing in sports
- 4) Guam Live Media Famtour: Joyce Pring
- 7) Platinum Key Service - US Commercial Services
- 8) Social Media Campaign

**North America Marketing News**

**Third Quarter Plans (May)**



IGLTA 34<sup>TH</sup> ANNUAL GLOBAL CONVENTION  
St. Petersburg, Florida  
May 4 - 6, 2017

**About the Event**  
The IGLTA Annual Global Convention is the world's premier educational and networking event for LGBT+ tourism professionals. The 34<sup>th</sup> edition of the conference will connect gay, lesbian and gay friendly travel and tourism suppliers and buyers through its hosted buyer and scheduled appointment program, numerous educational workshops and networking receptions.



SCUBA SHOW  
Long Beach, California  
May 6 - 7, 2017

**About the Event**  
Over 10,000 people attended the show in 2016. One of the largest Scuba Diving Consumer event in North America. Showcases 75,000 sq. ft. of exhibit space, 300+ exhibitors, seminars and clinics.

**North America Marketing News**

**Third Quarter Plans (June)**



IPW 2017  
Washington, DC  
June 3 - 7, 2017

**About the Event**  
IPW is the U.S. Travel Assoc.'s premier international marketplace and largest generator of travel to the U.S.

3 days of pre-scheduled B2B appointments

More than 1,000 U.S. travel organizations from every region of USA

More than 1,300 international and domestic buyers from more than 70 countries

Generates more than \$4.7 billion in future Visit USA travel

**Pacific Marketing News**

**Third Quarter Plans (April)**

- United Guam Marathon April 9, 2017
- Micronesia Forum (formerly Micronesia Chief Executive Summit) April 27-28, 2017
- 14th Annual Travel Fair Andersen
- Air Force Base May 3, 2017
- Naval Base Guam May 4, 2017



**Pacific Marketing News**

**Third Quarter Plans (May)**



PATA ANNUAL SUMMIT  
Sri Lanka  
May 18 - 21, 2017

The summit is a 4-day working event that brings together thought leaders and industry professionals from around the world.

Theme "Disruption, Innovation Transformation: The Future of Tourism"

Also part of the program is the UNWTO/PATA Ministerial Debate

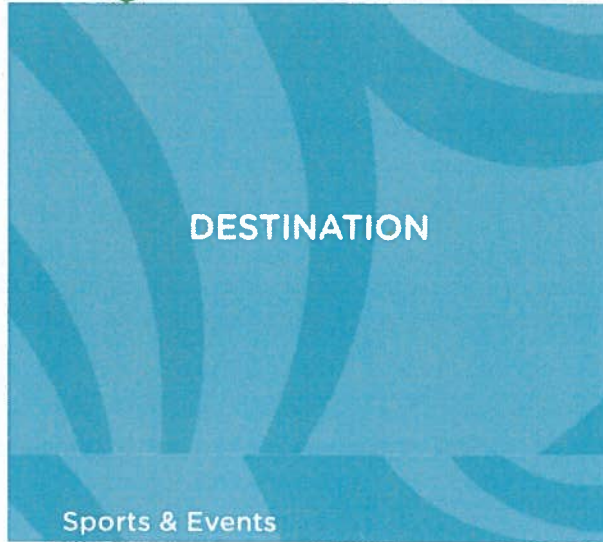
Host Sri Lanka supported the PATA Annual Summit on Guam



**SMS Cormoran II ceremonies**

- GVB and its partners held two ceremonies commemorating the 100<sup>th</sup> anniversary of the scuttling of the SMS Cormoran II in World War I
- Boat and wreath laying ceremony off Apra Harbor and Peace Memorial Service at U.S. Naval Cemetery in Hagåtña on April 7
- Lecture series ends April 12 at T. Stoll Newman Visitors Center
- Charge d'Affaires Michael Hasper, other dignitaries and Guam's German community attended the event
- Strong international and local media coverage
- Axe Murder Tours, Blue Persuasion Diving and MDA created dive packages associated with event





Sports & Events



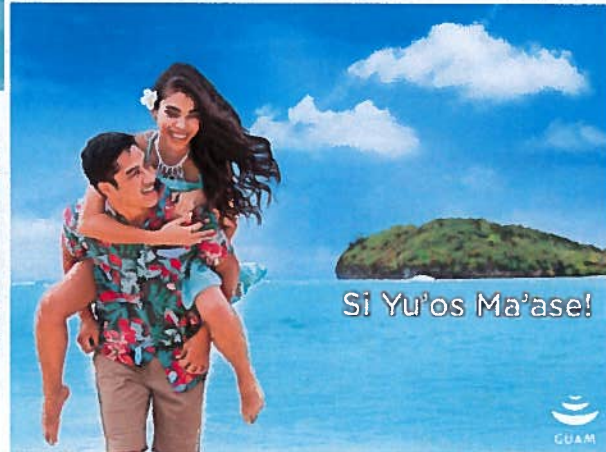
**Smokin' Wheels 2017**

- Event held at Guam International Raceway April 7-9
- Street Night at drag strip kicked off event followed by motor sports competitions, enduro events, mud drags and the Proline drift series
- Jack Daniel's Smokin Grillz BBQ competition also held
- Showoff Guam Car show another feature
- GVB is a sponsor of the event

Sports & Events

**United Guam Marathon**

- Event reached record breaking registration with 4,335 registered runners on April 9
- Participants came from 22 countries including Australia, Canada, China, Czech Republic, Estonia, Finland, Germany, Hong Kong, Japan, Korea, Macao, New Zealand, Northern Mariana Islands, Norway, Palau, Philippines, Russia, Singapore, Taiwan, UK and United States
- Hiroki Neajima from Japan finished the marathon in 2:30:37 in the men's division
- Sunghwa Ryu from Korea finished in 3:01:58 in the women's division
- 3<sup>rd</sup> place runner proposed to his girlfriend during awards ceremony



- o President Denight announced that moving forward, the following will be included in reports from the Research Department: spend per visitor, hotel occupancy rates and daily rates, airline seat capacity and load factors.
- o Vice Chairman Mesa touched on the pre-clearance program out of Narita to Guam, Hawaii, and Saipan. He feels that we need the Congresswoman's office and the Governor's office to apply more pressure to get this program in place. This would make traveling more convenient for visitors flying from Japan to Guam. Pre-clearance out of Narita will be the prelude to getting pre-clearance out of Osaka and Nagoya. Chairman Morinaga pointed out that the issue might be that Guam customs and immigration are two separate entities whereas in Japan and other locations, customs and immigration are the same entity. He feels this issue needs to be addressed by the Administration. President Denight stated that we met with the embassy and they are moving forward. The program will launch with Guam, Hawaii, and Saipan. They are currently in the negotiation stage as Narita airport and the airlines will have to pay a fee. It will likely be another two to three years until the program is implemented.
- o President Denight directed the board to Attachment A: Sponsorship request for the FIBA Oceania U17 Tournament from Tony Thompson, Guam Basketball Confederation President & Secretary General. The Sports & Events Committee can provide a grant of up to \$15,000 but they are requesting for additional support bringing GVB's total contribution to \$100,000. Director Shinohara asked if management had a recommendation. President Denight stated that first he'd like to work with Director of Finance and Administration (DoFA) Cunliffe and the team to identify if we have the funding but ultimately, he'd like to



provide support as we did support FIFA with a healthy sponsorship. Director Arriola asked about media exposure for the tournament and what countries will be participating. President Denight reported that countries in the Oceania region will be participating. He will determine if we have any excess funding from our TCD to support the tournament (\$15,000 will come from the Sports & Events Committee). Director Shinohara mentioned that we are on track with our allotment. Director Jackson asked for information on exposure. President Denight will provide that and related documents to the board via email and they will discuss this item further at the next board meeting.

**V. FY2017 GVB DIGITAL STRATEGY UPDATE**

- o Presentation by Jason Lin, Global Digital Strategist, Talent Basket LLC



**FY2017 GVB Digital Strategy Update**  
Board of Director Presentation  
4.13.2017  
Presented by Jason Lin, Talent Basket LLC

**Digital Strategic Goals for GVB**



To understand the most impactful events and technology trends that are affecting Guam and visitors.



Align on overall digital advertising strategy and use of marketing.



Develop a platform, neutral digital education, training, and resources relevant to GVB.



Develop global campaigns with diverse interests, taking into account the whole range of a destination's potential.

**FY2017 Global Digital Executive Updates**

**FY2017 1<sup>st</sup> half**

- Facebook Global Page
- Social media advertising
- Global Digital M&O
- 2017 Shop Guam e-Festival


**FY2017 2<sup>nd</sup> half pipeline**

- Mobile Messaging APP training
- TripAdvisor global co-op
- Global MICE Planner (meetguam.com)
- 2017 Shop Guam e-Festival

**FY2017 1<sup>st</sup> Half - Facebook Global Page**

**Global Fan Page Benefits**

- Consolidate GVB Facebook fan pages under a unified global umbrella.
- Ability to market one Facebook fan page web domain on all GVB's marketing collaterals.
- Maintain the ability for each GVB Rep to post in native languages targeting fans in their own countries.



**FY2017 1<sup>st</sup> Half - Facebook Global Page**

Each GVB Rep manages independent Facebook fan page in source markets and posting in native languages.




**FY2017 1<sup>st</sup> Half - Facebook Global Page**

Incorporate separate GVB Facebook fan pages under a global page structure with a unified URL. GVB Reps can still post in native languages to engage with in-country fans within the assigned markets.



**FY2017 1<sup>st</sup> Half - Social Media Advertising**

Country	Social media advertising channels
JAPAN	Facebook, Twitter, YouTube, LinkedIn, Instagram
KOREA	Facebook, Twitter, YouTube, LinkedIn, Instagram
TAIWAN	Facebook, Twitter, YouTube, LinkedIn, Instagram
CHINA	Facebook, Twitter, YouTube, LinkedIn, Instagram
HONG KONG	Facebook, Twitter, YouTube, LinkedIn, Instagram
PHILIPPINES	Facebook, Twitter, YouTube, LinkedIn, Instagram
N. AMERICA	Facebook, Twitter, YouTube, LinkedIn, Instagram
RUSSIA	Facebook, Twitter, YouTube, LinkedIn, Instagram



Q4 2016

DIGITAL 300 / QUARTERLY

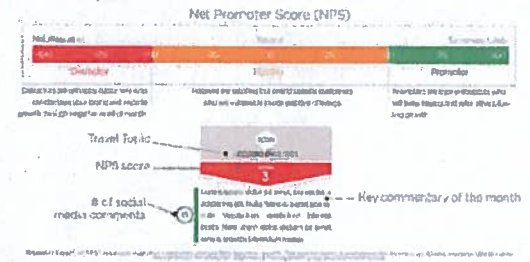
DIGITAL 360 REPORT

Executive Summary Data Q4 2016



DIGITAL 360 REPORT

Social Listening Net Score JAN 2017



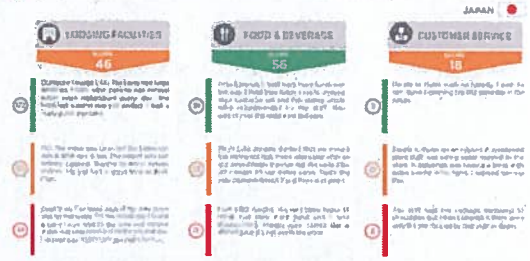
DIGITAL 360 REPORT

Social Listening Net Score FEB 2017



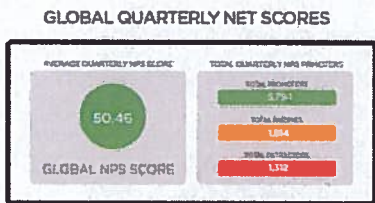
DIGITAL 360 REPORT

Social Listening Net Score FEB 2017



DIGITAL 360 REPORT

Social Listening NPS Q4 2016



DIGITAL 360 REPORT

Social Listening NPS Q4 2016

**GLOBAL QUARTERLY NET SCORES DASHBOARD**

	Q4	Q3	Q2
LODGING FACILITIES	52	51	50
FOOD & BEVERAGE	66	60	66
CUSTOMER SERVICE	47	56	73
FLIGHT AIRPORT	54	0	50
CRUISE/LOCAL ACTIVITIES	75	93	71
SAFETY	54	47	51

DIGITAL 360 REPORT

Social Listening NPS Q4 2016

**Social Listening NPS Q4 2016**

	Q4	Q3	Q2
JAPAN	71	25	20
INDONESIA	48	53	37
THAILAND	74	70	59
CHINA	56	77	47
HONG KONG	109	63	44
USA	28	35	0
PHILIPPINES	N/A	N/A	N/A
EMERSON MARKET	49	49	50

FY2017 1st Half - Shop Guam e-Festival



2016 Shop Guam Festival is the first 100% mobile global campaign whereas GVB fully embraces the vision of "Smart and Sustainable Tourism".

FY2017 1st Half - Shop Guam e-Festival



FY2017 1st Half - Shop Guam e-Festival





**FY2017 1<sup>st</sup> Half - Shop Guam e-Festival**

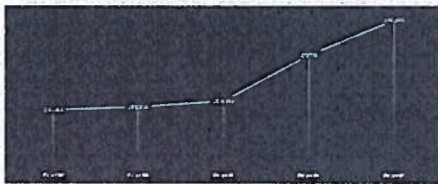


**FY2017 1<sup>st</sup> Half - Shop Guam e-Festival**

	Visitors arrived from source markets	Est. media value generated	Total # of offline promotion outlets	Total # of online promotional outlets
China	1,624	\$187,021	4	80
Hong Kong	4,461	\$22,008	7	24
Japan	720,077	\$177,218	3	210
Korea	124,421	\$1,962,488	15	65
Philippines	3,137	\$448,306	15	20
Taiwan	27479	\$1,740,460	8	189
U. America / USA	34,358	\$167,254	1	9
Russia	883	\$24,168	12	21
Local Guam	-	-	7	8
<b>Source market total</b>	<b>388,406</b>	<b>\$18,152,825</b>	<b>88</b>	<b>646</b>
Consumer base	291,688			

**FY2017 1<sup>st</sup> Half - Shop Guam e-Festival**

SGeF Period Dec 17 - Feb 18 Visitors Arrival (All Source Markets)



**FY2017 1<sup>st</sup> Half - Shop Guam e-Festival**

In shorter amount of total promotion time, the 2016 SGeF mobile APP KPI outperformed last year's.

Metrics	Total APP Downloads	Total Screen Views	Avg. Screen / Session	Avg. Session Duration
2016	29,711	2,223,444	29.8	7.03
2015	30,024	736,843	6.54	5.48
Change	-1%	+300%	+342%	+28%

**FY2017 1<sup>st</sup> Half - Shop Guam e-Festival**

Top 10 most popular merchants on Shop Guam e-Festival mobile APP

Rank	Merchant	iOS screen views	Android screen views	Total screen views
1	TOHNEY HALDER	6782	69804	76,586
2	MACY'S	7648	62,842	70,490
3	ABC STORE	6501	59,279	65,780
4	CALVIN KLEIN	3364	40,383	43,747
5	BEACHN' B-ROP	4545	34,321	38,866
6	AJZEN RAHDI	3286	33,821	37,106
7	DFS T GALLERIA	3365	27,220	30,584
8	CRIMSON	2777	21,899	24,676
9	GAP	1402	20,888	22,290
10	CAMPUSOLA	3220	18,486	21,706
TOTAL		46,473	381,792	428,265

**FY2017 2<sup>nd</sup> Half pipeline**

Mobile Messages APP Marketing Training

TripAdvisor Global Co Op



**FY2017 2<sup>nd</sup> Half pipeline**



2017 Shop Guam e-Festival Fall + Winter 2017



VI. 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	\$ 10,641,371.00	50%	\$ 10,641,101.00		50%
Destination Development	\$ 1,085,000.00	\$ 542,500.00	50%	\$ 542,500.00		50%
Rainy Day Fund	\$ 200,000.00	\$ 100,000.00	50%	\$ 100,000.00		50%
Cultural & Sports Ambassador Fund	\$ 200,000.00	\$ 100,000.00	50%	\$ 100,000.00		50%
Pass-Thru	\$ 1,085,000.00	\$ 690,000.00	64%	\$ 395,000.00		36%
<b>TOTAL</b>	<b>\$ 23,852,472.00</b>	<b>\$ 12,073,871.00</b>		<b>\$ 11,778,601.00</b>		
<b>TOTAL RECEIVABLES FY 2017</b>				<b>\$ 11,778,601.00</b>		
<b>TOTAL RECEIVABLES</b>				<b>\$ 11,816,101.00</b>		

Accounts

**RESTRICTED**

Bank of Guam - Rainy Day Fund	\$ 2,184,890.06
Cultural & Sports Ambassador Fund <sup>1</sup>	\$ 444,350.00
<b>TOTAL RESTRICTED</b>	<b>\$ 2,629,240.06</b>

**UNRESTRICTED**

Bank of Guam - Operations	\$ 12,702,083.21
First Hawaiian Bank - Membership	\$ 116,255.98
Resona	\$ 786,026.06
Bank of Guam - TAF	\$ 1,387,781.94
Raymond James - CD value as of 03/31/2017 <sup>2</sup>	\$ 2,534,156.66
<b>TOTAL UNRESTRICTED</b>	<b>\$ 17,526,303.85</b>

**TOTAL CASH as of 04/10/2017** \$ 20,155,543.91

Current Payables

Asatsu Invoices JAN & FEB	\$ 1,010,360.02
Japan Invoices	\$ 119,252.94
Guam Invoices	\$ 403,862.18
Encumbered Contracts	\$ 4,580,261.08
Encumbered Purchase Orders	\$ 197,372.82
<b>TOTAL as of 04/10/2017</b>	<b>\$ 6,311,109.04</b>

NOTES

**NOTE 1**

\$444,350.00 Cultural and Sports Ambassador Fund  
~~(\$3,750.00)~~ Cultural and Sports Ambassador expenses - reimburse Operations  
 \$440,600.00

**NOTE 2**

\$1,417,869.34 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  
~~(\$50,000.00)~~ Ex Com approved \$50,000 on 04/07/17 for Streetlight Project Management  
 \$431,327.34

April 10, 2017

- o Director Shinohara reported that we are on track with receiving our allotments.





- o Vice Chairman Mesa asked where membership dues show up on the cash position. DoFA Cunliffe directed him to First Hawaiian Bank - Membership under Unrestricted Accounts.

**VII. REPORT OF THE BOARD COMMITTEES**

**A. EXECUTIVE COMMITTEE**

**JAPAN IN-COUNTRY MARKET RESEARCH & BUSINESS DEVELOPMENT MEETINGS  
| TOKYO, JAPAN**

Vice Chairman Mesa made a motion, seconded by Director Shinohara, to ratify Executive Committee's travel approval for GVB President & CEO, GVB Director of Tourism Research and GVB Marketing Manager - Japan to participate in meetings in Tokyo and Osaka for Japan in-country research initiatives and travel trade business development (airline & travel agent sales) from April 24 - 28, 2017. Estimated cost of travel is \$9,605.25, \$6,825.25 to be paid from RE-RES104 and \$2,780.00 from JA-SMD008.

**Motion approved**

Airfare:	\$1,000 x 3 pax					\$3,000.00
Train:	Tokyo-Osaka-Tokyo x 2 pax					\$600.00
Per Diem:	Tokyo	Lodging	Nights	M&IE	Days	
	President & CEO	\$328.75	4	\$271.25	5	\$2,671.25
	Director of Tourism Research	\$263.00	2	\$217.00	3	\$1,177.00
	Marketing Manager - Japan	\$263.00	3	\$217.00	4	\$1,657.00
Misc. Expenses:	Business communication costs & excess baggage fees					\$500.00
<b>Total:</b>						<b>\$9,605.25</b>

**Background:** GVB will be meeting with Mr. Dave Erdman and Mr. Rob Solamon from PacRim Marketing Group Inc. to discuss Phase I of GVB's in-country market research for the Japan. Phase I would include the following:

- Review of GVB exit surveys and questionnaire for input on data needed and opportunities to gain new insight
- Review prior (2015) studies from Beach Resorts, including Guam and Hawaii with permission from a 3<sup>rd</sup> party as discussed with 2,000 completed surveys
- Perform a new survey of 2,000 Hawaii past and prospective visitors with and without Guam travel history and future travel intentions based on the Hawaii-Arukikata site managed by PacRim Marketing Group
- Evaluate the best way to do a screening survey to identify Guam visitors and rejecters and relevant beach resort competitors/comp set
- Perform a new survey of travelers to Guam and Beach survey with 15-20 questions
- Develop and test recommendations for new in country online survey strategy for Phase 2
- Review and develop updated questions for the Japanese travelers for review and possible inclusion in ongoing GVB research programs, to maximize overall efficiency and insight from both in-country and Exit Survey programs

After meeting with PacRim, the GVB President & CEO and GVB Marketing Manager - Japan will travel to Osaka to meet with T'Way to discuss increased air service from that region, and return to Tokyo immediately after for internal strategic marketing and sales meetings taking place the following day. Lastly, the GVB President & CEO will have a meeting with JTB, before conclusion of the mission.



The above are crucial to GVB's continued commitment, aggressive strategy development, and air route development for the Japan market. The Bureau is working cohesively to gather valuable market intelligence in order to dynamically shift marketing and sales initiatives to meet the growing and changing demands of the Japan outbound travel market. Furthermore, GVB is fostering business relationships with airline executives and top travel agencies in order to keep Guam at top-of-mind when discussing growth and sales promotions for their respective companies. Presence from GVB HQ representatives will minimize communication barriers to allow swift and efficient executions, as well as send a message of value and commitment from Guam to each tourism partner in Japan.

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

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### CIP SUPPLEMENTAL FUNDING

Vice Chairman Mesa made a motion, seconded by Director Jackson, to ratify Executive Committee's approval to authorize the use of \$50,000 from GVB's TCD to fund the Construction Management of the Tumon Streetlight Project.

**Motion approved**

**Background:** GVB issued an Invitation for Bid (IFB) for Phase II of the Tumon Bay Streetlight Project. This consists of the rehabilitation of the streetlights throughout Tumon Bay. GVB received supplemental funding from the legislature in FY2016 to complete this project. GVB has awarded the contract for Phase II, however \$50,000 is needed for the Construction Management in order to ensure the contractor for Phase II completes work in accordance with the IFB.

**Issue:** Board approval required.

- o Director Arriola asked how much is in this account. DoFA Cunliffe reported that the balance is \$431,327.
- o President Denight reported that the work has started already. The project will be completed at the latter part of September.

### **B. RUSSIA & NEW MARKETS**

- o Director Jackson reported that there was a committee meeting last week.
- o The team is still planning to attend the PITE show in May but due to current events, there is a possibility that the trip will be canceled.
- o He noted that business is better in Russia and he expects it to continue, but the politics cannot be ignored.

### **C. VISITOR SAFETY & SATISFACTION**

#### VISITOR SAFETY & SATISFACTION SUPPLEMENTAL FUNDING

Director Hong made a motion, seconded by Director Jackson, to authorize the use of \$142,528 from GVB's TCD to fund the supplemental request for Visitor Safety & Satisfaction.

**Motion approved**

**Background:** GVB's board of directors approved the Visitor Safety & Satisfaction budget of \$743,472 for FY2017. This was a reduction of \$142,528 from the request for the fiscal year. Due to the reduced funding amount, GVB's VSS division made cuts as detailed below:



PROGRAM	FY2017 PROPOSED	FY2017 ACTUAL	DIFF
VSO - VISITOR SAFETY OFFICER	499,000	499,000	-
VIP - VISITOR INDUSTRY PROFESSIONAL	175,000	100,000	-75,000
COMMUNITY OUTREACH	67,000	47,000	-20,000
WATER SAFETY PROGRAM	15,000	-	-15,000
TOUR GUIDE CERTIFICATION	40,000	40,000	-
WELCOME SERVICE	40,000	17,472	-22,528
HERO AWARDS	25,000	20,000	-5,000
AIRPORT AMBASSADOR	25,000	20,000	-5,000
<b>TOTAL</b>	<b>886,000</b>	<b>743,472</b>	<b>-142,528</b>

Due to the reduced budget, VSS cut critical programs to GVB's mission. The affects are as follows:

- Greeting Requests for the remainder of FY2017 have been suspended, which is used as a feature to attract MICE groups to Guam.
- Beach & Safety Signage projects have been put on hold.
- The VIP Program will not be able to complete Phase II.
- Reduced Immigration and customs support for charters through the Airport Ambassador Program.

GVB is requesting supplemental funding in the amount of \$142,528 to restore the VSS Budget and to continue projects as planned for FY2017.

**Issue:** Board approval required.

- Director Arriola pointed out that this is the same account that was tapped for the aforementioned CIP project.
- President Denight noted that with the reduced budget, we had to cut down on some VSS projects.
- He stated that we are moving into phase two of the Visitor Industry Professional (VIP) Program. Chairman Morinaga asked that we work with GHRA on this project. President Denight stated that GHRA will have a role during phase three (training/distribution).

#### D. CULTURAL & HERITAGE

- Director Arriola reported that the committee met yesterday where ten grant applications were reviewed. The meeting minutes will be presented at the next board meeting.

#### E. SPORTS & EVENTS

- Director Nault reported that the committee met recently. They discussed UGM and Smokin' Wheels which was already covered during the President & CEO's Report.
- Next, he touched on the upcoming Guam Micronesia Island Fair (GMIF). He requested for all marketing committees to help promote the event in their respective markets.
- Finally, he mentioned that we should work on better communicating information about upcoming events. This will allow the Sports & Events Committee more time to prepare and offer support. Chairman Morinaga agreed noting that Japan in particular needs more time

to plan and distribute information. President Denight mentioned that one of our efforts in this area is the event calendar which we launch the year before the calendar year. DoGM Laguana stated that the marketing department needs the tools (photos, videos, information, etc.) well in advance to promote these events in their respective markets. Often times however, they don't receive these materials until about a week before the event. Director Hong added that getting information out to locals is just as important. For instance, if a well-known Korean runner participated in the UGM and the local Korean population was informed, we would have seen greater participation from the local Korean population. Director Arriola stated that the Cultural & Heritage Committee is looking to re-establish the fiesta program. She also mentioned that the committee will work to provide information on events as far in advance as possible.

#### F. ADMINISTRATION & GOV'T RELATIONS

Vice Chairman Mesa made a motion, seconded by Director Kloppenburg, to authorize 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 2017-005 TOURISM DESTINATION CRM, CMS & WEBSITE SERVICES, and if successful, to contract.

**Motion approved**

**Background:** GVB solicited proposals from qualified firms or individuals with experience in digital marketing for destination management organizations (DMO's) for the Tourism Destination CRM, CMS and Website Services project. At present, GVB has six (6) consumer websites, its main (English) address: [www.visitguam.com](http://www.visitguam.com). The additional (multi-lingual) websites are in Japanese, Korean, Russian, Chinese (traditional) and Chinese (simplified). The GVB Hong Kong website does not share in the current design and CRM/CMS system, and will be included in this project.

It is GVB's intent to secure the services of a qualified individual or company to perform the requirements as detailed in the Scope of Work to provide Tourism Destination CRM, CMS & Website Services for the bureau. Some of the key initiatives for GVB's global websites in 2017 include:

- 1) Provide websites for each target market that are fully responsive and render seamlessly on handheld devices, addressing the mobile user;
- 2) SAN Certification and HTTPS for all Domain properties;
- 3) A CMS that controls updates for all global websites fully integrated with a CRM (Customer Relationship Management) system and specific to the travel and destination management industry;
- 4) A responsive member/partner extranet providing private access for updates, special offers, and promotes B2B activity; and
- 5) A special implementation of UGC (User-Generated Content) to provide for fresh relevant content.

**Issue:** Board approval required.

#### G. DESTINATION MANAGEMENT

##### MAINTENANCE FOR GMIF





Vice Chairman Mesa made a motion, seconded by Director Arriola, to authorize the use of \$20,000 from GVB's TCD to fund minor maintenance and streetscape projects in Hagatna in preparation for the Guam Micronesia Island Fair.

Director Arriola made a motion, seconded by Director Kloppenburg, to amend the aforementioned motion as follows:

Motion to authorize the use of up to \$20,000 from GVB's TCD to fund minor maintenance and streetscape projects in Hagatna in preparation for the Guam Micronesia Island Fair.

**Motion passed as stated and amended**

**Background:** In preparation for the Guam Micronesia Island Fair, GVB proposes to utilize up to \$20,000 to fund minor maintenance and streetscape projects in Hagatna. This is needed to ensure a successful Guam Micronesia Island Fair.

**Issue:** Board Approval Required.

- o President Denight mentioned that \$20,000 is on the high side and he will try to minimize costs.

**H. GREATER CHINA**

**Committee minutes dated March 10, 2017**

**Exhibit C**

- o Director Shinohara reported that there will be a committee meeting on Friday.

**I. JAPAN**

**Committee minutes dated March 28, 2017**

**Exhibit D**

- o Director Murata reported that the Japan Marketing Committee (JMC) had a meeting yesterday. He noted that we need to make improvements with immigration at the airport. Director Nault added that sometimes visitors aren't able to use ESTA machines so they end up being directed to the back of the line. Chairman Morinaga said this is an instruction issue and it needs to be resolved to improve immigration.

**J. KOREA**

**Committee minutes dated March 14, 2017**

**Exhibit E**

- o Director Kloppenburg noted Exhibit E: KMC meeting minutes from March 14.
- o The most recent committee meeting was held yesterday.
- o There were 512 registered runners from Korea for UGM, which is a 12% increase from last year. This includes three celebrity entertainers and 1996 Olympic silver medalist Lee Bong-Ju. International media partners were also on island to cover the event.
- o Guam hosted a MICE group of 1300 pax for Prudential Life Insurance.
- o Virtual reality filming took place from March 25 to April 5.

**GVB TIME SQUARE MALL "GUAM PHOTO EXHIBITION"**

Director Hong made a motion, seconded by Vice Chairman Mesa, to approve travel for (1) KMC Vice Chairman, Director of Global Marketing and (1) GVB Marketing Staff to attend the GVB Time Square Mall Guam Photo Exhibit in Seoul, Korea from



April 27, 2017 - May 1, 2017. Cost is approximately \$8,663.75 from FY2017 Korea Budget Acct# KO-SMD023.

**Motion approved**

Marketing

Airfare (\$900 x 3 pax)	\$ 2,700.00
KMC Vice - Per Diem - Lodging (\$230/night x 5 days + 25%)	\$ 1,437.50
KMC Vice - Per Diem - MI&E (\$137/night x 5 days + 25%)	\$ 856.25
Per Diem - Lodging (\$230/night x 5 days x 2 pax)	\$ 2,300.00
Per Diem - MI&E (\$137/night x 5 days x 2 pax)	\$ 1,370.00
<b>Total</b>	<b>\$8,663.75</b>

**Background:** The Guam Visitors Bureau (GVB) is coordinating a Guam photo exhibit at the Time Square Mall in Seoul, Korea from April 28, 2017 to May 1, 2017. On February 16-20, 2017, GVB hosted Sony Korea photographers to take promotional images of Guam using Sony's new RX100v camera. Photos taken by the photographers will be exhibited during the scheduled consumer event.

The objective is to promote the Visit Guam "Year of Love" campaign and feature the photos taken by Sony Korea photographers in an effort to attract potential travelers. GVB plans to send a delegation of 5, consisting of KMC Vice Chairman Kloppenburg, 2 GVB Marketing Staff, GVB Culture & Heritage Officer, and a Miss Guam to promote the island, Guam Ambassador Song Seung Heon, upcoming events, ESTA, and general information.

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

**K. MEMBERSHIP & COMMUNITY OUTREACH**

- o Director Kloppenburg reported that the details are still being worked out for the next quarterly membership meeting but it will likely be in May.

**L. NORTH AMERICA & PACIFIC MARKETS**

**PATA ANNUAL SUMMIT 2017**

Director Arriola made a motion, seconded by Director Shinohara, to approve travel for GVB Board Director Robert Hofmann, to attend the PATA Annual Summit/Executive and Board Meeting in Sri Lanka from May 18-21, 2017. Travel cost is approximately \$4,773.75 and will come out of account no. PA-SMD026.

**Motion approved**

Airfare	\$2,000 x 1 pax	\$2,000.00
NAP Chairman Per Diem	\$317/night + 25% x 7 nights	\$2,773.75
<b>TOTAL</b>		<b>\$4,773.75</b>

**Background:** As a result of the PAS 2016 on Guam, the bureau will further its active participation in the PATA programs to also evaluate any future events within the trade and travel industry.

The summit will be the ideal opportunity to orientate Director Hoffman, who's also the Chairman of the North America & Pacific Marketing Committee, with PATA and to reciprocate and show our support for the summit host destination.

In addition, GVB President and CEO along with the Director of Global Marketing are active Board/Executive Members. The summit normally comprises of a one-day industry conference,







with the Association's Annual General Meeting, PATA Youth Symposium, PATA Marketplace, Colloquium which Guam is an active member of along with other chapters worldwide, Gala Dinner, committee meetings, workshop and product tours of the destination. In addition, the President/CEO and the Director of Global Marketing will be attending the Executive/Board meetings. Dates and location to be determined in 2017.

**Issue:** Board approval needed for travel.

**INTERNATIONAL POW WOW (IPW) - June 3-7, 2017**

Director Arriola made a motion, seconded by Vice Chairman Mesa, to approve travel for GVB Board Director Robert Hofmann and GVB President & CEO, Jon Nathan Denight, to attend the 49th U.S. Travel Association IPW in Washington D.C. from June 3-7, 2017. Travel cost is approximately \$11,220.00 and will come out of account no. US-SMD023.

**Motion approved**

Airfare	\$2,500.00 x 2 pax	\$5,000.00
NAP Chairman Per Diem	\$311/night + 25% x 8 nights	\$3,110.00
President & CEO Per Diem	\$311/night + 25% x 8 nights	\$3,110.00
	<b>TOTAL</b>	<b>\$11,220.00</b>

**Background:** Director Robert Hoffman, as the new Chairperson of the North America & Pacific Marketing Committee, will have the opportunity to experience first hand, the largest travel trade consumer event in the United States. At IPW, Director Hoffman will meet with dozens of travel trade industry members and be introduced to our partners in Visit USA and the U.S. Commercial Service sector.

The U.S. Travel Association is the national, non-profit organization representing all components of the travel industry that generates \$2.1 trillion in economic output and supports 15 million jobs. U.S. Travel's mission is to increase travel to and within the United States.

U.S. Travel Association's IPW is the travel industry's premier international marketplace and the largest generator of travel to the U.S. - it is NOT a typical trade show. In just three days of intensive pre-scheduled business appointments, more than 1,000 U.S. travel organizations from every region of the USA (representing all industry category components), and more than 1,300 international and domestic buyers from more than 70 countries conduct business negotiations that result in the generation of more than \$4.7 billion in future Visit USA travel. At IPW, buyers and sellers are able to conduct business that would otherwise be generated only through an exhaustive number of around-the-world trips.

As the premier partner of IPW, Brand USA looks forward to welcoming travel professionals around the globe to IPW in New Orleans. As the nation's destination marketing organization, Brand USA inspires travelers worldwide to experience the United States' boundless possibilities. In 2013, Brand USA's marketing efforts helped welcome 1.1 million additional visitors to the USA. At IPW, Brand USA will be available for business appointments to discuss how the organization continues to expand into new markets and introduce new programs that are helping to increase global visitation to the USA.

GVB plans to send key marketing staff to this very important and strategic event to maximize one-on-one appointments with key media, buyers and trade professionals from our source markets and from around the world.





Over the 3 days of one-on-one pre-scheduled appointments GVB has consistently been able to conduct with over 130 buyers and 28 media representatives during our participation at the Media Marketplace. The GVB delegates also will meet numerous travel industry delegates during the networking events held during the 5 days of IPW.

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

**M. RESEARCH**

- o Director Shinohara reported that the team has been working on evaluations for an RFP for a data analytics provider. He is hopeful that the new software will help the team make better decisions in tackling the tourism business more efficiently.

**VIII. OLD BUSINESS**

**IX. NEW BUSINESS**

- o Chairman Morinaga suggested moving the Christmas village towards Royal Orchid. This location is more centralized making it easier for tourists to visit. Director Arriola added that previously, the board discussed adding more lights along the road in Tumon. President Denight said he is happy with either plan but it will be difficult to budget for both the village and street lighting. Director Shinohara feels we need to take care of Tumon before offering support elsewhere. Chairman Morinaga asked the board to think about the Christmas lighting and it will be discussed further at the next board meeting.
- o Chairman Morinaga reminded the board of the importance of attending board meetings. He asked that roll call be done two weeks prior to the actual board meeting. If the board meeting needs to be rescheduled, there will be ample time to do so. This will prevent meetings from being cancelled.
- o President Denight stated that an RFP went out for an architecture and engineering (A&E) firm to assist with HOT Bond projects. The selected A&E firm conducted their initial assessment. President Denight said he will email the board their plans so that they can be discussed at the next board meeting. Vice Chairman Mesa reported that the finalized plans will be presented to the Legislature as part of our request for additional funding.

**X. EXECUTIVE SESSION**

**XI. ANNOUNCEMENTS**

**Upcoming Board Meetings:**

- o Thursday, April 27, 2017 at 3:30pm, GVB Main Conference Room
- o Thursday, May 11, 2017 at 3:30pm, GVB Main Conference Room

**Announcements:**

- o 2017 Statement of Disclosure of Conflicts of Interest due on **Thursday, April 20** (for Governor and Legislative appointees only)





XII. ADJOURNMENT

Director Shinohara made a motion, seconded by Vice Chairman Mesa, to adjourn the meeting. Meeting adjourned at 5:15pm.

**Motion unanimously approved**

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

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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**