



**BOARD OF DIRECTORS REGULAR MEETING**

Thursday, May 25, 2017 - 3:30pm

Guam Visitors Bureau - Main Conference Room

**BOARD OF DIRECTORS PRESENT:**

Director Milton Morinaga  
Director Brad Kloppenburg  
Director William Nault  
Director Robert Hofmann

Director Bart Jackson  
Director Tak Takano  
Director Katarina Sgro

**BOARD OF DIRECTORS TELEPHONICALLY:**

Director Sam Shinohara

**BOARD OF DIRECTORS ABSENT:**

Director Young Hong  
Director Satoru Murata  
Director Theresa Arriola

Director Eduardo "Champ" Calvo  
Director Monte Mesa

**GVB MANAGEMENT & STAFF PRESENT:**

Pilar Laguana  
Dee Hernandez  
Regina Nedlic  
Haven Torres  
Colleen Cabedo  
Ana Cid

Karida Brennan  
June Sugawara  
Lisa Linek  
Gina Kono  
Mark Manglona

Laurette Perez  
Nadine Leon Guerrero  
Nico Fujikawa  
Nakisha Onedera Garrido  
Josh Tyquiengco

**GVB MANAGEMENT & STAFF TELEPHONICALLY:**

Jon Nathan Denight

**GUESTS:**

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*In the absence of President Denight, Director of Global Marketing Laguana served as Acting President & CEO.*

**I. CALL TO ORDER**

Director Arriola called the meeting of board to order at 3:36pm.

**II. MINUTES OF THE PREVIOUS MEETING**

**Exhibit A**

Director Jackson made a motion, seconded by Director Kloppenburg, to approve the minutes of the previous board of directors meeting dated May 11, 2017.

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

**III. CHAIRMAN'S REPORT**

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

Guam Visitors Bureau  
President's Report  
May 25, 2017

## RESEARCH

Month to Date  
2017

Total: 87,390 (+3.6%)

May 1-23, 2017

Share (%)	Country	Index	Change (%)
42.3%	Japan	36,943	0.3%
43.3%	Korea	37,877	16.9%
11%	China	958	-30.8%
1.3%	Hong Kong	1,175	157.7%
2.4%	Taiwan	2,079	-14.4%
4.9%	US/Hawaii	4,300	-8.7%
1.3%	Philippines	1,149	-36.4%

Calendar Year  
to Date 2017

**Total: 618,878 (+4.1%)**

January, May 23, 2017

Share (%)	Country	Est.	Share (%)
43.5%	Japan	269,352	90.2%
40.4%	Korea	250,310	27.7%
1.7%	China	10,437	-20.4%
1.4%	Hong Kong	8,886	176.9%
2.5%	Taiwan	15,600	-5.8%
4.8%	US/Hawaii	29,844	0.0%
1.1%	Philippines	7,117	-4.3%

## Fiscal Year to Date 2017

**Total: 1,009,807 (+5.1%)**

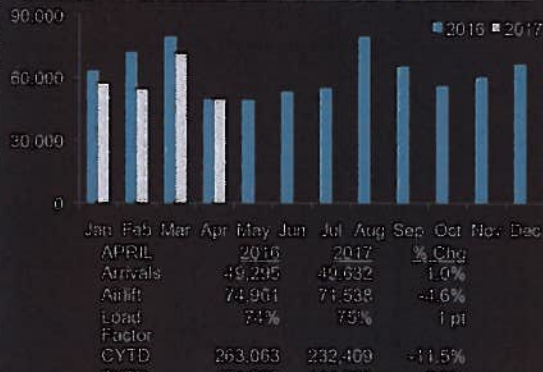
~~October 2015 - May 23, 2017~~

Market No.	Origin	Pax	% of Pax
44.7%	Japan	450,952	77%
39.8%	Korea	402,116	24.7%
1.6%	China	14,873	9.2%
1.2%	Hong Kong	11,209	112.6%
2.5%	Taiwan	25,321	3.7%
4.7%	US/Hawaii	47,745	1%
1.4%	Philippines	14,144	22.9%

## MARKETING



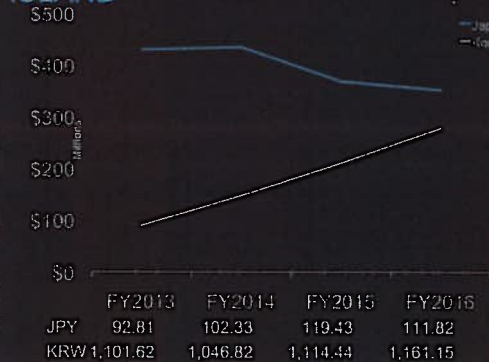
### JAPAN MONTHLY ARRIVALS



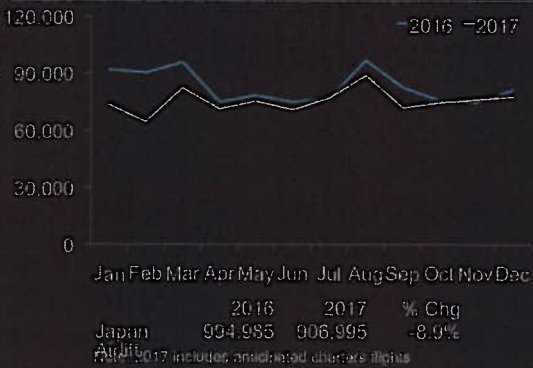
### 2016 JAPAN LOAD FACTOR

	Visitors	Visitors + Transit	All (Visitors, Transit, RR)
NARITA	88%	91%	94%
KANSAI	80%	81%	83%
NAGOYA	78%	80%	81%
SAPPORO	76%	78%	81%
FUKUOKA	74%	74%	76%
SENDAI	78%	79%	81%

### SPEND JAPAN V. KOREA | ON-ISLAND



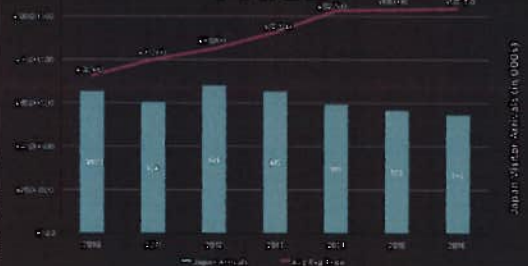
### JAPAN MONTHLY AIRLIFT



### CYTD 2017 JAPAN LOAD FACTOR

	Visitors	Visitors + Transit	All (Visitors, Transit, RR)
NARITA	89%	92%	94%
KANSAI	79%	81%	84%
NAGOYA	79%	82%	83%
SAPPORO	78%	79%	80%
SENDAI	77%	77%	79%

### ARRIVALS V. AVERAGE PKG. PRICE









### Japan Marketing News

#### GVB Launches Air Service Support Program

- JMC approved program to encourage new regular flight service from Japan
- Up to \$250K per new service from NRT, KIX, NGO, HND
- Must commit to 4x/week for 1 year
- GVB meeting with current airline partners and new potential airlines
- Japanese LCCs interested to fly to Guam but do not have aircraft with ETOPs safety system, which is costly

### Japan Marketing News

- Japanese overseas travelers were up 12.1% year on year to 1,739,000 in March 2017 (preliminary figures), marking year-on-year growths for ten months in a row since June 2016.
- Also, Japanese overseas travelers outnumbered international visitors to Japan for two months in a row. The total for the first three months of 2017 was up 8.9% to 4,527,500.
- Air Canada Rouge (Long Haul LCC) will begin serving 4X/week between Vancouver and Nagoya with the Boeing 767-300ER on June 1 2017 in addition to Kansai-Vancouver route. Rise of new trend of Long Haul LCC to Japan, Scoot and Air Asia X flying from Japan to Hawaii

### Japan Marketing News

#### Upcoming Events:

- Kanku (KIX) Tabihaku: May 27 – 28
- Ehime Tabihaku: June 24 – 25
- Håfa Adal Study Tour 2017: June 29 – July 3rd
  - United, T'way, JAL will be joining
  - Focus will be on MICE/Group

### President's "E" Award

- GVB receives 2017 President's "E" Award for Export Services in Washington D.C. on May 21, 2017, for GVB's outstanding contribution to the export expansion program in the U.S.A.
- U.S. Secretary of Commerce Wilbur Ross and Congresswoman Bordallo joined GVB Vice President Tony Mufia, Jr. and Director of Global Marketing Pilar Lagunaña to accept this prestigious award
- Bordallo said this is the nation's highest honor recognizing organizations which contribute significantly in the effort to increase U.S. exports
- GVB is the first tourism organization in the country to receive this award



### PATA Annual Summit 2017



- The PATA Annual Summit 2017 was held in Negombo, Sri Lanka from May 18-21
- Theme: "Disruption, Innovation, Transformation: The Future of Tourism"
- Representing GVB were Board of Director, Mayor Robert Hofmann, President & CEO, Nathan Denight; Director of Global Marketing, Pilar Lagunaña and Marketing Manager - Pacific & North America, Mark Mangiona
- GVB President & CEO was elected Chairman to the PATA Government/Destinations Committee and joins Pilar Lagunaña on the PATA Executive Board
- GVB President & CEO sat as a panelist on the UNWTO/PATA Ministerial Debate
- TripAdvisor's Sarah Mathews was elected chairwoman of the PATA Executive Board

## DESTINATION

## Sports & Events



### Guam Live International Music Festival

- Scheduled for June 3 at Governor Joseph F. Flores Memorial Park (Ypao Beach)
- 8 acts performing: Magid Spawbreezie, Sammy J. MFBTY, Anuhe, The John Dank Show, Jed and Davidior
- Tickets on sale at all 76 Circle K locations and [guam-live.com](http://guam-live.com)
- Press conference set for Wednesday, May 31 at 11 a.m. in PIC Tasi & Isa Banquet Rooms
- Promotions running on social media, tv and radio
- GVB members get ticket discount May 30-June 2 (\$40, max 50 tickets)

## Hāfa Adai Pledge

- Stroll Guam Inc. became the 703<sup>rd</sup> member of the Hāfa Adai Pledge program on May 24. Stroll Guam is a transportation network that provides ride services to residents and tourists on island.
- Special HAP signing and presentation of HAP coin scheduled for next Thursday, June 1 at 10 a.m. to honor memory of "Big John" Tedtaotao at Fort Soledad. Installation of "Year of Love" heart with painting of Tedtaotao to be unveiled at site.







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	\$ 14,622,963.76	69%	\$ 6,659,508.24	31%	
Destination Development	\$ 1,085,000.00	\$ 723,333.34	67%	\$ 361,666.66	33%	
Rainy Day Fund	\$ 200,000.00	\$ 133,333.34	67%	\$ 66,666.66	33%	
Cultural & Sports Ambassador Fund	\$ 200,000.00	\$ 133,333.84	67%	\$ 66,666.16	33%	
Pass-Thru	\$ 1,085,000.00	\$ 823,751.09	76%	\$ 261,248.91	24%	
<b>TOTAL</b>	<b>\$ 23,852,472.00</b>	<b>\$ 16,436,715.37</b>		<b>\$ 7,415,756.63</b>		
<b>TOTAL RECEIVABLES FY 2017</b>				<b>\$ 7,415,756.63</b>		
<b>TOTAL RECEIVABLES</b>				<b>\$ 7,453,256.63</b>		
<b>Accounts</b>						
<b>RESTRICTED</b>						
Bank of Guam - Rainy Day Fund		\$ 2,218,439.34				
Cultural & Sports Ambassador Fund		\$ 477,718.90				
<b>TOTAL RESTRICTED</b>		<b>\$ 2,696,158.24</b>				
<b>UNRESTRICTED</b>						
Bank of Guam - Operations		\$ 15,102,225.34				
First Hawaiian Bank - Membership		\$ 115,497.29				
Resona		\$ 637,084.07				
Bank of Guam - TAF		\$ 1,216,016.24				
Raymond James - CD value as of 04/30/2017 <sup>2</sup>		\$ 2,534,400.53				
<b>TOTAL UNRESTRICTED</b>		<b>\$ 19,605,223.47</b>				
<b>TOTAL CASH as of 05/22/2017</b>		<b>\$ 22,301,381.71</b>				
<b>Current Payables</b>						
Asatsu Invoices JAN - MAR		\$ 1,734,929.53				
Japan Invoices		\$ 287,067.75				
Guam Invoices		\$ 158,072.49				
Pass-Thru		\$ 23,333.34				
Encumbered Contracts		\$ 3,680,515.69				
Encumbered Purchase Orders		\$ 169,644.09				
<b>TOTAL as of 05/22/2017</b>		<b>\$ 6,053,562.89</b>				
<b>NOTES</b>						
<b>NOTE 1</b>						
	\$477,718.90	Cultural and Sports Ambassador Fund				
	(\$18,500.00)	Cultural and Sports Ambassador expenses - reimburse Operations				
	<b>\$459,218.90</b>					
<b>NOTE 2</b>						
	\$1,418,113.21	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				
	(\$142,528.00)	Board approved \$142,528 on 4/12/17 for VSS Supplemental Budget Request				
	<b>\$289,043.21</b>					

May 22, 2017



VI. REPORT OF THE BOARD COMMITTEES

A. EXECUTIVE COMMITTEE

B. SPORTS & EVENTS

Director Sgro made a motion, seconded by Director Jackson, to approve sponsorship of FIBA U17 Oceania Championship in the amount of \$100,000 with funding to come from the Raymond James CD.

**Motion withdrawn**

- o Acting President Laguana reported that the Guam Basketball Confederation (GBC) will be hosting this sporting event from July 9 to July 15. This is a world cup qualifying competition for junior national teams from twelve different nations for both men and women. In addition to sports fans, over 300 players, coaches, and officials will be coming to Guam to participate. The event will deliver international exposure via broadcasting and social media. The organization needs \$195,000 to successfully host this event. They have received a grant of \$30,000 and have garnered \$65,000 in private sponsorships.
- o Director Jackson suggested that we find a way to evaluate what the exposure will be worth in dollars. Acting President Laguana agreed and said that we can quantify a number after the event and present it to the board as part of a post report.
- o Director Hofmann noted the participating nations: Australia, New Zealand, New Caledonia, Tahiti, Fiji, Papua New Guinea, Samoa, and Guam.
- o From the organization's grant application, Director Hofmann and Acting President Laguana reported that the sponsorship money will be used for team accommodations, meals, bussing, staff accommodations, car rentals, and gas. They noted that the money will stay on Guam.
- o Acting President Laguana asked if the board would be open to having this motion approved subject to the Sports and Events Committee defining the deliverables and then present them to the board.
- o She then noted that none of the funds will be used for paid advertising as FIBA already has media connections.
- o She also reported that organizers will be opening a Guam National Basketball training center in Barrigada featuring state of the art equipment. She feels that this is a good turnaround investment for our youth.
- o Director Hofmann mentioned that the winner of this tournament will advance to the Asia Cup Qualifiers. The tournament will also give participants training for the Olympics in Japan in 2020.
- o Director Jackson stated that this kind of event provides good exposure for Guam and our teams but we are sensitive to how the money is spent. The organization needs to identify exactly how this sponsorship money was spent after the event. Furthermore, he suggested that we connect the organization with someone who can take the viewership and followers and turn it into a hard number.
- o Director Hofmann suggested approving the motion under the condition that the money is used for visiting team accommodations, meals, busses, and gas. Director Nault added that they should also provide a clear report for the return on investment.
- o Director Sgro withdrew her initial motion.

Director Sgro made a motion, seconded by Director Hofmann, to approve sponsorship of FIBA U17 Oceania Championship in the amount of \$100,000 to be





used for the visiting team accommodations, visiting team meals, and visiting team transportation, and that full accounting be made to the board. Funding to come from the Raymond James CD.

**Motion failed**

*6 yeas/1 nay/1 no vote*

- o Director Shinohara said that he would feel more comfortable seeing a detailed budget breakdown first. Director Hofmann referred him to their grant application.
- o President Denight noted that the participating nations are not apart of our primary markets but Guam is becoming more of a hub for the Pacific which is also important. Sponsorship somewhere in \$50,000 to \$100,000 range would be his recommendation. He also added that the organization is very transparent about costs in their grant application.
- o Director Shinohara wants to understand what our logic is for pushing forward with this sponsorship. President Denight replied that this is a major event for the Pacific. If we don't provide support there is a chance the organizers will pull out of the event.
- o Chairman Morinaga mentioned that the event will have an economic impact on the island. Director Hofmann agreed adding that the players' families and fans will come to the island for the tournament too.
- o Director Shinohara asked if this is the best use of funds across all markets. Director Jackson said that is not the issue. This issue is whether this is a worthwhile use of funds or not.
- o President Denight stated that we supported FIFA in a big way and this is a similar global organization. He asked the board if they would feel more comfortable with a \$50,000 sponsorship. Director Takano stated the amount is not the issue. Director Shinohara said he would much rather use the funds for core GVB projects but nonetheless he would like to try to find a way to support this event.
- o Director Jackson noted that the revenue lines are zeroed out under admission, food concessions, drink concessions, and clinics on the budget breakdown. He asked the board if they would be more comfortable if we required that whatever revenue the organization generates during the event is sent back to GVB. Director Shinohara and President Denight said yes.
- o Director Takano stated none of the participating nations are part of our core markets. If we are spending \$100,000 outside our core markets, we should have a much better reason.
- o Chairman Morinaga stated that we have a community outreach plan in our Tourism 2020 Plan and this event will fall under that plan. From the grant application, Director Hofmann noted the project sustainability: The intent of the federation and FIBA is to host more competitions on Guam in years to Guam drawing hundreds of thousands of players, coaches, and fans to participate. Also, they are working on inviting Japan, the Philippines, and Taiwan to host them in similar events. Chairman Morinaga added that this event is similar to the way we hosted PATA and WHO. We need to show other markets that we can host large conventions.
- o Chairman Morinaga called for another vote.

Director Sgro made a motion, seconded by Director Hofmann, to approve sponsorship of FIBA U17 Oceania Championship in the amount of \$100,000 to be used for the visiting team accommodations, visiting team meals, and visiting team transportation, and that full accounting be made to the board. Funding to come from the Raymond James CD.

**Motion failed**

*7 yeas/1 nay*



- o Director Nault stated that the organization has an idea of where the ROI will come from (TV, internet, etc.) but they did not provide enough detail; their proposal is too broad.
- o Chairman Morinaga understands Director Takano's concern that we are not spending the money on our core markets, but if we always take that approach, we won't make any progress.
- o Acting President Laguana feels that this is a great way to diversify our market mix. These nations may not be apart of our core markets, but it is a wonderful way to invest in our youth and build the talent capacity on island. Furthermore, this event can be looked at as a MICE opportunity. It will help us generate positive publicity for the island.
- o Director Jackson proposed tabling the motion as only eight directors were present. One nay vote will defeat all motions. Director Takano agreed and added that in the mean time, more information should be provided to the board.

Director Hofmann made a motion, seconded by Director Jackson, to send this issue back to the Sports and Events Committee to have them compile the information asked for by the board, then come back with a better proposal for the board meeting on June 8, 2017.

- o Note: Chairman Morinaga did not put motion to a vote.

C. ADMINISTRATION & GOV'T RELATIONS

D. DESTINATION MANAGEMENT

E. GREATER CHINA

F. JAPAN

Committee minutes dated May 9, 2017

Exhibit C

G. KOREA

Committee minutes dated May 9, 2017

Exhibit D

HANA TOUR INTERNATIONAL TRAVEL SHOW 2017 & AIRLINE MEETINGS

Director Jackson made a motion, seconded by Director Kloppenburg, to approve travel for GVB Chairman to attend the Hana Tour International Travel Show and Airline Meetings on June 8-11, 2017 in Seoul, Korea. Cost is approximately \$3,465.00 from Budget Account # JA-SMD008.

Motion approved

Marketing

Airfare (\$1,000 x 1 pax)	\$	1,000.00
BOD/MGMT Per Diem - Lodging (\$230/night x 5 nights + 25% x 1 pax)	\$	1,437.50
BOD/MGMT Per Diem - M&IE (\$137/day x 6 days + 25% x 1 pax)	\$	1,027.50
Total	\$	3,465.00

**Background:** Hana Tour is South Korea's largest tour company and wholesaler that organizes the Hana Tour International Travel Show (HITS) on of the largest annual trade and consumer







event. In 2016, the total number of visitor was 95,000 with KRW32.2Billion of sales amount over four days.

This will be the 6<sup>th</sup> year GVB is joining the event. The fair is a key direct sales and presentation event for overseas destinations and GVB's presence will provide support to its members attending while elevating awareness of Guam to consumers, trade, and trade media. GVB hopes to show Hana Tour its commitment and support to continue pushing Guam sales.

In addition to participating in the Hana Tour International Travel Show the Bureau will also be conducting airline meetings with potential and existing airlines in Korea. With the declining air seat capacity from Japan pursuing alternative routes and additional seats capacity via Korean air carriers provides an opportunity to stabilize the Japan market.

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

H. **MEMBERSHIP & COMMUNITY OUTREACH**

I. **NORTH AMERICA & PACIFIC MARKETS**

J. **RESEARCH**

K. **RUSSIA & NEW MARKETS**

L. **VISITOR SAFETY & SATISFACTION**

M. **CULTURAL & HERITAGE**

VII. OLD BUSINESS

VIII. NEW BUSINESS

IX. EXECUTIVE SESSION

X. ANNOUNCEMENTS

**Announcements:**

- o Guam Live International Music Festival: June 3
- o Quarterly Membership Meeting: June 12, 9am - 12pm
- o Guam BBQ Block Party: July 1

**Upcoming Board Meetings:**

- o Thursday, June 8, 2017 at 3:30pm, GVB Main Conference Room
- o Thursday, June 22, 2017 at 3:30pm, GVB Main Conference Room



XI. ADJOURNMENT

Director Jackson made a motion, seconded by Director Hofmann, to adjourn the meeting.  
Meeting adjourned at 4:28pm.

**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
3. Management to look into drafting rules and regulations for signage in bus shelters
4. Management to facilitate meeting with GVB, GIAA, and GEDA regarding the current situation in the Japan market