

**BOARD OF DIRECTORS REGULAR MEETING**

Thursday, September 28, 2017 - 3:30pm
Guam Visitors Bureau - Main Conference Room

BOARD OF DIRECTORS PRESENT:

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

BOARD OF DIRECTORS TELEPHONICALLY:**BOARD OF DIRECTORS ABSENT:**

Director Theresa Arriola Director Eduardo "Champ" Calvo

GVB MANAGEMENT & STAFF PRESENT:

Jon Nathan Denight	Antonio Muna	Karida Brennan
Brian Borja	Laurette Perez	Josh Tyquiengco
Mark Manglona	Nico Fujikawa	Colleen Cabedo
Elaine Pangelinan	Dee Hernandez	Kraig Camacho
Meriza Peredo	Regina Nedlic	Frances Aguon
Sydney Leon Guerrero	Nakisha Garrido	Nadine Leon Guerrero

GVB MANAGEMENT & STAFF TELEPHONICALLY:**GUESTS:**

Lara Ozaki - Glimpses Publications
Jackie Hanson - Senator Regine Biscoe Lee's Office
Joe Mesngon - Senator Dennis Rodriguez's Office
Namkyung Lee - GVB Student Intern
Cristen Rios - GVB Student Intern
Alana Chargualaf - Guam Daily Post

I. CALL TO ORDER

Chairman Morinaga called the meeting of the 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 September 14, 2017.

Motion unanimously approved (Subject to minor revisions)

III. CHAIRMAN'S REPORT

- o Chairman Morinaga reported that he had the opportunity to attend JGTC meetings in Nagoya, Osaka, and Tokyo. All members are aware that arrivals have decreased. The committee proposed a recovery plan that will be discussed further during the President & CEO's report. Chairman Morinaga assured the board that the team will do whatever is necessary to bring the market back. He suggested using the upcoming 50th Anniversary as a way to send a positive message to Japan.



- o He then reported that he attended JATA. He noticed that every year booths are either getting smaller or exhibitors combine their booth with other destinations. In addition, booths on the domestic side are also shrinking. In any case, the Guam booth had good visibility as it was located near an entrance.
- o Finally, he shared that his main concern right now is to bring the Japan market back.
- o Vice Chairman Mesa mentioned that the Japanese government is promoting inbound travel over outbound travel and that compounds our challenges as well. We need to fill direct flights and create more demand. Moreover, we need to sustain the flights we do have to ensure that we do not lose anymore seats. He feels we need to recalibrate to achieve our target of 6%. He hopes our goals can be accomplished through JMC. Chairman Morinaga stated that during JATA, the Minister of Tourism in Japan announced that he wants to increase outbound travel. Furthermore, there will be many changes within the government by October, as the cabinet was just demolished. President Denight added that Japan's inbound goal for 2020 is 40 million, which is double their goal from about 4 years ago. This increase can be attributed to their many flights and many airports within Japan. Japan's outbound goal is 16-18 million.

IV. PRESIDENT & CEO'S REPORT

GUAM VISITORS BUREAU
PRESIDENT'S REPORT
 09-28-2017

September 2017

September 1-21, 2017

Total: 84,050 (-4.7%)

RESEARCH

Calendar Year to Date 2017

January-September 21, 2017

Total: 1,135,377 (+3.3%)

% Market Mix	Origin	2016	2017	% to LY
39.1%	Japan	45,873	32,860	-28.4%
49.9%	Korea	30,673	41,969	36.8%
0.9%	China	1,083	715	-34.0%
0.3%	Hong Kong	391	268	-31.5%
1.9%	Taiwan	2,703	1,626	-39.8%
3.9%	US/Hawaii	2,703	3,289	-17.9%
1.2%	Philippines	1,148	986	-14.1%

Source: Guam Customs, Borderland Forms. Processed by the Guam Visitors Bureau.

Note: September 2017 Daily Arrivals reflect Changes for arrivals only.

% Market Mix	Origin	2016	2017	% to LY
42.4%	Japan	544,834	481,744	-11.6%
42.3%	Korea	379,443	480,515	26.6%
1.5%	China	20,887	17,212	-17.6%
1.1%	Hong Kong	5,731	12,456	117.3%
2.3%	Taiwan	31,721	25,830	-18.6%
5.0%	US/Hawaii	56,732	56,528	-0.4%
1.1%	Philippines	14,156	12,378	-12.6%

Source: Guam Customs, Borderland Forms. Processed by the Guam Visitors Bureau.

Note: September 2017 Daily Arrivals reflect Changes for arrivals only.



Fiscal Year to Date 2017
October 2016-September 21, 2017 **Total: 1,526,306 (+4.1%)**

% Market Mix	Origin	2016	2017	% to LY
43.9%	Japan	735,500	663,344	-9.6%
41.4%	Korea	505,918	632,521	25.0%
1.5%	China	25,632	22,599	-11.5%
1.0%	Hong Kong	8,250	15,954	93.4%
2.3%	Taiwan	40,747	35,551	-12.8%
4.9%	US/Hawaii	73,659	74,429	1.0%
1.3%	Philippines	18,230	19,405	8.4%

Source: Guam Customs Automation Forms. Processed by the Guam Visitors Bureau.

Note: September 2017 Early Arrivals reflect October Air arrivals only.

Japan Marketing News

MARKETING



JATA Tourism Expo 2017

- Held from September 21-24, 2017 with over 130 countries exhibiting.
- Estimated 185,000 people attended the expo.
- Guam booth featured virtual reality Guam video, Håfa Adai Chamorro Dance show by Jesse and Ruby and several local businesses
- Guam Chamorro Dance Academy featured at the Expo's main stage with over 60 dancers from children to adults

#InstaGuam 2018 Press Launch

- Press conference held in Tokyo on September 25, 2017 with over 50 media in attendance
- Presentation on upcoming Visit Guam 2018's campaign: #instaGuam
- President & CEO addressed media and influencers
- Instagrammers hosted a talk show about their trip to Guam and tips for travel to Guam
- Press kits, Guam gifts and media resources provided



HONG KONG MARKETING NEWS

CATHAY DRAGON CHARTER
November 19-23, 2017

- USDOT approved Cathay Dragon on June 29, 2017 to begin service from HK to the U.S. under exemption code 49 U.S.C. §40109 and amended foreign carrier permit under 49 U.S.C. §41301
- Cathay Dragon has not yet released word on potential routes to the U.S.
- Charter is handled by Cathay Pacific Holidays
- Aircraft: Airbus A320 (158 seats: B-Business | 150-Economy)
- Flight Schedule:
 - 19 November HKG | GUM 4:05PM | 11:35PM
 - 23 November GUM | HKG 12:35PM | 2:50PM
- Promo currently in progress | Guam package with airfare & 4-night accommodation at Outrigger, Hyatt or Duist from HKD4,120 | USD553
- GVB in communication and offering assistance
- GVB to provide marketing collateral airport greeting service, souvenir gift



GUAM VISITORS BUREAU
SI YU'OS MA'ÅSE!



V. TREASURER'S REPORT

Exhibit B

FY 2016					
	Appropriation	Received to Date		Balance	
Pass-Thru	\$ 750,000.00	\$ 712,500.00	95%	\$ 37,500.00	5%
TOTAL RECEIVABLES FY 2016				\$ 37,500.00	

FY 2017					
	Appropriation	Received to Date		Balance	
Operations	\$ 21,282,472.00	\$ 21,142,472.00	99%	\$ 140,000.00	1%
Destination Development	\$ 1,085,000.00	\$ 1,085,000.00	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	\$ 1,085,000.00	\$ 1,085,000.00	100%	\$ -	0%
TOTAL	\$ 23,852,472.00	\$ 23,712,472.00		\$ 140,000.00	

TOTAL RECEIVABLES FY 2017 \$ 140,000.00

TOTAL RECEIVABLES \$ 177,500.00

Accounts

RESTRICTED

Bank of Guam - Rainy Day Fund ¹	\$ 2,286,009.50
Cultural & Sports Ambassador Fund ²	\$ 544,577.90
TOTAL RESTRICTED	\$ 2,830,587.40

UNRESTRICTED

Bank of Guam - Operations	\$ 13,604,264.62
First Hawaiian Bank - Membership	\$ 109,647.43
Resona	\$ 889,152.75
Bank of Guam - TAF	\$ 631,560.98
Raymond James - CD value as of 08/31/2017 ³	\$ 2,536,610.36
TOTAL UNRESTRICTED	\$ 17,771,236.14

TOTAL CASH as of 09/27/2017 \$ 20,601,823.54

Current Payables

Asatsu invoices MAR - JUL	\$ 931,039.89
Japan Invoices	\$ 256,704.42
Guam Invoices	\$ 211,962.72
Pass-Thru	\$ 35,833.34
Encumbered Contracts	\$ 1,472,005.44
Encumbered Purchase Orders	\$ 134,266.09
TOTAL as of 09/27/2017	\$ 3,041,811.90

NOTES

NOTE 1

\$2,286,009.50	Rainy Day Fund
(\$260,869.48)	Reimbursable Rainy Day Expenses - Japan
\$2,025,140.02	

NOTE 2

\$544,577.90	Cultural and Sports Ambassador Fund
(\$63,550.00)	Cultural and Sports Ambassador expenses - reimburse Operations
\$481,027.90	

NOTE 3

\$2,536,610.36	Raymond James - CD
(\$1,169,250.98)	PAID - China airline incentive program and market advertising
(\$300,000.00)	PAID - Sponsorship Guam Football Association
(\$20,000.00)	PAID - GEDA Imagine Guam Masterplan Overlay
(\$548,802.84)	PAID - Pale San Vitores Road Bus Shelter Project
(\$28,783.52)	PAID - Planning, Architectural and Engineering Services for Tumon Bay Improvement
(\$75,000.00)	PAID - Sponsorship Guam Basketball Federation FIBA U17 Championship
(\$10,295.00)	PAID - Hagatna maintenance and streetscape project for GMF
(\$263,261.54)	BALANCE - Pale San Vitores Road Bus Shelter Project
(\$121,216.48)	BALANCE - Planning, Architectural and Engineering Services for Tumon Bay Improvement
0.00	

September 27, 2017





FY2018 BUDGET

Attachment A & Attachment B (Amended)

- o Director Shinohara began the Treasurer’s Report with the adoption of the FY2018 budget. He reported that \$500,000 was shifted from China to Japan, bringing Japan back to the initial request of \$8.5 million. He added that he made two requests as a result of that shift: first, he wants the Japan Marketing Committee (JMC) to develop a spending plan so all directors are aware of how the resources will be allocated. Second, if China needs an additional \$500,000 for incentives to stimulate the market to replace seats we may lose, he wants a commitment from the board to fund those efforts with the Rainy Day Fund.
- o Vice Chairman Mesa touched on destination improvement. If one alternative for additional funding is to tap into the Rainy Day Fund, he requested for an additional \$500,000 to improve our destination from the same source. If we do not spend money on improving our destination, it will continue to deteriorate. Director Shinohara agreed that destination improvement is important, but for the purposes of discussion, he suggested that the Destination Maintenance Committee (DMC) prepares a request detailing exactly what will be done with the additional funding and present it to the board at the next board meeting. Chairman Morinaga agreed.

Director Shinohara made a motion, seconded by Director Jackson, to adopt the FY2018 budget as amended.

Motion approved

VI. REPORT OF THE BOARD COMMITTEES

A. EXECUTIVE COMMITTEE

Vice Chairman Mesa made a motion, seconded by Director Jackson, to ratify Executive Committee’s travel approval for International Business Speaker, Expert and Consultant Barbara Wold to be the guest speaker for the 3rd Quarter Membership meeting on Guam from October 03-08, 2017 (Cost approximately \$5943.81, Account Number MEM100).

Motion approved

Airfare	1	\$2383.81		\$2383.81
Per Diem				
M&IE - GUM	1	\$87.00	X 5 days	\$435.00
PROFESSIONAL FEE	1	\$3000.00		\$3000.00
CAR RENTAL	1	\$25.00	X 5 days	\$125.00
Total Expense:				\$5943.81

Background: Barbara Wold is an internationally known speaker and authority to the retail, consumer, tourism and hospitality industries. Her areas of expertise include customer experience, marketing strategy, consumer buying patterns, building business relationships, image, sales and service quality, public relations, redevelopment and tourism.

Ms. Wold works with many downtowns and cities that are going through revitalization in an effort to boost their economic viability. She helps them understand that as a composition of American households continue to shift, so will the mix of retail, in order to succeed and connect to neighboring communities. Ms Wold also works with airport revenue, the airlines, duty free, state tourism conventions and travel professionals.

Ms. Wold is a representative for the International Council of Shopping Centers. GVB is partnering with the Guam Premiere Outlets with their generous support of paying for half of the professional fee (\$3000.00) and the Westin Resort who has committed to giving complimentary hotel accommodations for her (5) day stay.





Ms. Wold will be presenting to the GVB membership, the vendors and staff of Tumon Sands Plaza, Guam Premiere Outlets and the participants of the Shop Guam Festival 2018.

Issue: Board approval required.

B. NORTH AMERICA & PACIFIC MARKETS

DEMA SHOW 2017 & GUAM DIVE SEMINAR

Vice Chairman Mesa made a motion, seconded by Director Shinohara, to approve travel for two GVB marketing staff to attend the DEMA Show 2017 in Orlando, Florida from November 1-4, 2017. (Cost is approximately from \$6,500.00 from Acct. No. US-SMD023)

Motion approved

Travel Expenses:

Airfare: \$2,000 x 2 pax	\$4,000.00
Two Marketing Staff Per Diem: \$192 x 5 days x 2 pax	\$1,920.00
Misc. Expenses (Communications, excess baggages, etc.)	<u>\$580.00</u>
TOTAL ESTIMATED EXPENSES:	\$6,500.00

Background: Guam Visitors Bureau (GVB) is a member of Diving Equipment & Marketing Association (DEMA) and plans attend the DEMA Show. DEMA is the world's only international trade-only event for the dive industry. GVB will have the opportunity to connect face-to-face and network with more than 9,000 credentialed experts from every aspect of the diving, action watersports and travel professions. This event is attended by travel sellers throughout the world and is the best event for showing the Guam destination to travel agents that organize dive group trips.

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

While participating at the DEMA Show 2017, GVB looks forward to sharing the 2018 Events Calendar to give the divers more time to plan their next dive trip and choose destination Guam. The Guam Visitors Bureau will be joining the Micronesian Pavilion together with Palau Visitors Authority and other Micronesia partners to create a strong regional presence supported by United Airlines and to conduct a Micronesia Seminar to familiarize attendees on the region, diving and other optional activities.

Issue: Board approval required for travel.

PATA MICRONESIA CHAPTER 3RD TRI-ANNUAL MEMBERSHIP MEETING

Vice Chairman Mesa made a motion, seconded by Director Jackson, to approve travel for two (2) Marketing Staff to attend the PATA Micronesia Chapter 3rd Tri-Annual Membership Meeting in Palau from November 12-18, 2017. (Cost is approximately \$6,500.00 from Acct. No. PA-SMD024)



Motion approved

Airfare: \$900 x 2 pax	\$1,800.00
2 Marketing Staff Per Diem: \$340 x 6 days x 2 pax	\$4,080.00
Unanticipated Expenses (Communications, excess baggages etc)	<u>\$620.00</u>
TOTAL ESTIMATED EXPENSES:	\$6,500.00

Background: Guam as an active member of the PATA Micronesia Chapter and the lead in the PATA Micronesia Chapter Committees, will be attending the PATA Micronesia Chapter 3rd Tri-Annual Meeting in Palau. The meetings are rotated among the islands depending on the availability of hosts. We would like to encourage membership from the region at the local and government level to become active and to engage with the PATA Micronesia Chapter in hopes to continue the effort to promote travel to Micronesia.

United Airlines is a sponsor of the PATA Micronesia Chapter Meetings in the region, providing discounted airfare for travel within Micronesia. Additionally, the PATA Micronesia Chapter has been appointed by the Micronesia Island Forum to be the official tourism body for the region.

Issue: Board approval needed for travel.

- o President Denight shared that PATA will be hosting their first event in Palau after this meeting. The event is geared towards social media and adventure travel. This is a good opportunity to attend and get real world experience from experts in these fields. In addition, Palau will be promoted as a region through PATA.

C. RESEARCH

- o Acting Director of Tourism Research (DoTR) Fujikawa gave an update on the new customs forms. A technician from Australia will be on Guam from October 16-27. During this time, the team will be testing the new forms as they are printed. Once they are accepted through the scanner and software, the team will contact airlines individually for pick up. For the initial disbursement, airlines will be given enough to carry them through the end of the year. Then they will be given out as needed. During this time, the team will also be implementing the new dashboard which can be embedded into emails and onto our website. November 10 is the cutoff date; no old customs forms will be used after that.
- o Vice Chairman Mesa asked if the Research Department had any information to share from the surveys conducted at JATA. Acting DoTR Fujikawa stated that he is still working on summarizing the data which will be presented at the next board meeting. He shared that the team conducted onsite surveys with iPads and iPhones using Google Forms, so we were able to collect live data from 350 participants. He noted that 50% of people surveyed have never been to Guam, so that is a lot of opportunity for us to capitalize on. The Research Department will try to conduct surveys for other markets as well.
- o Director Nault touched on the customs forms. To reduce printing costs, he asked if we could look into creating online customs forms. This would also allow visitors to complete them prior to their arrival. Acting DoTR Fujikawa shared that the new forms help to reduce printing costs as they are smaller in size. In addition, we can store them more efficiently and provide larger quantities to airlines. President Denight noted that there are requirements about having hardcopies of these forms and no other destination has converted to electronic ones, but this is something we can look into. We try to migrate away from paper whenever we can.

D. RUSSIA & NEW MARKETS





- o Director Jackson shared that our in-country staff will handle an upcoming roadshow in mid-October in Vladivostok, Khabarovsk, and Sakhalinsk. With Air Seoul and Jeju Air, we expect some pick up in the market.
- o He then reported that he, Vice President Muna, and Marketing Manager Nedlic met with Jaroslav Olsa Jr., the Czech Republic Ambassador to the Philippines, Marshall Islands, Nauru, FSM, and Majuro yesterday. He was previously stationed in Seoul so he is familiar with the region. Ambassador Olsa shared that there is a great deal of history between the Czech Republic and Guam. As such, he believes Eastern Europe may be a good market for us. Travelers from Eastern Europe are less demanding than typical European travelers. This combined with the history between our destinations gives us an opportunity to work together. There is a trade show in February for all of the eastern countries (Czech Republic, Poland, Slovakia, Serbia, Bosnia, etc.). This may be an opportunity for us to reach a new customer as we look for new ways to fill rooms during the off season. When the team goes to Mode Tour in November, they will pay a courtesy call to the Czech Republic Embassy.

E. VISITOR SAFETY & SATISFACTION

- o Director Hong reported that precautionary and reactionary measures were discussed with all hotel properties at the GHRA Safety & Security meeting on September 6 in response to the North Korea threats. Guam Homeland Security advised the committee what to be aware of and the security measures that need to be taken immediately after an attack.
- o The Catastrophic Plan for Tumon and the industry has been updated by Guam Homeland Security.
- o A letter has been sent to Department of Revenue and Taxation requesting for their support for the B&B/guesthouse outreach program.
- o GPD/VSO have removed the homeless from the abandoned building on Happy Landing Road. The team has requested for GPD to show more presence in the area to deter squatters.

F. CULTURAL & HERITAGE

- o President Denight reported that Director Arriola and Destination Specialist for Culture and Heritage Dee Hernandez attended PIFA (Pacific Islander Festival Association) in San Diego and will report on it at the next board meeting.

G. SPORTS & EVENTS

- o Director Sgro reported that she and Marketing Coordinator Nakisha Garrido just returned from Shanghai where they met with WME IMG and participated in their Color Run. She noted that some of our events have not been doing too well so this was a good event to attend. She shared that WME IMG did really well with local branding and sponsorship for the Color Run. Marketing Coordinator Garrido added that a blogger stationed at the Guam booth was broadcasting and was able to garner over one million live stream views during the first race. The team is waiting on the final numbers from all other races as there were four races over the span of two days, but we were able to see a major impact from the first race right away.

H. ADMINISTRATION & GOV'T RELATIONS

Motion to approve FY2018 budget allocation.



Issue: Board approval required.

- o Motion approved during the Treasurer's Report.

I. DESTINATION MANAGEMENT

J. GREATER CHINA

- o Director Shinohara reemphasized the challenge the team will have at revisiting their budget allocation for next year as a 50% reduction is pretty stark.

K. JAPAN

Committee minutes dated September 12, 2017

Exhibit C

GUAM KO'KO' KIDS RUN AND HALF MARATHON

Director Nault made a motion, seconded by Director Jackson, to approve travel for three (3) GVB Japan staff to join the Guam Ko'ko' Kids Run and Half Marathon 2017 from October 27-29, 2017. Estimated cost is of travel is \$4,650.00 from FY2017 JA-SMD003.

Motion approved

Airfare:	\$1,000 x 3 pax			\$3,000.00
Per Diem:	Guam	Per Diem	Days	
	Acting Japan Director	\$62.50	6	\$375.00
	2 pax GVB Japan Staff	\$62.50	3	\$375.00
Japan Transportation to/from airport	\$100 x 3 pax			\$300.00
Guam ground transportation	\$100 x 6 days			\$600.00
Total:				\$4,650.00

Background: 4 delegates from Sado Toki Marathon, 4 delegates from Nikkan Sports Toyohiragawa Marathon as well as representative runners from respective cities will visit Guam to take part in the Ko'ko' sports events. Acting Japan Director, Travel Industry Marketing Rep. and Web Marketing Coordinator will escort the delegations and assist with registration and operations for Japanese runners during the events. In addition, Acting Japan Director will attend the monthly JGTA meeting the week prior to the Ko'ko' race events to further establish relations with the local receptive operators for the Japan market. Internal meetings will be scheduled with GVB management to discuss continued efforts for the Japan recovery plan.

- o President Denight reported that we have groups coming from our sister marathon, so the Japan staff will help host those delegates.
- o Chairman Morinaga stated that we may have participants coming from San Ai. As a result, Guam will receive free advertising on their website.
- o Vice Chairman Mesa asked if three escorts are necessary. President Denight stated that they will not just be tasked with escorting; they will also be assisting with translation during race check in, packet pick-up, and on race day.





- o Vice Chairman Mesa then asked if kids from Japan will be coming to Guam for the Ko'ko' Kids Run. If so, this is an important message we need to share with the media. Director Shinohara shared that we have race participants coming from Japan for the half marathon, but it is not likely for the Ko'ko' Kids Run. President Denight said that he will get the numbers of registered runners coming from Japan for all races. On race day, we will take photos of those runners and share them with the media.

- o Chairman Morinaga stated that until today, he has been wearing two hats as Board Chairman and JMC Chairman. With the North Korea situation taking most of his time, he will be stepping down as JMC Chairman. He nominated Director Nault to take on the JMC Chairman position. Chairman Morinaga shared that he will still be attending JMC meetings to help with the transition.

Chairman Morinaga made a motion, seconded by Director Shinohara, to nominate Director Nault as the new Chairman of the Japan Marketing Committee. Director Nault accepted the nomination.

Motion approved

- o Director Nault said that he is honored to take on the new role. There are challenges ahead and much work to be done. He will work with the JMC Vice Chairmen and industry partners to try to bring numbers back up.

L. KOREA

Committee minutes dated September 12, 2017

Exhibit D

- o Director Jackson reported that the team will be attending a road show next month in Busan, Gwangju, and Daegu, three secondary cities in Korea that we get many visitors from. Now that Air Seoul is flying, we have contacts with Asiana that allow us to access a whole new customer in the Korea market.
- o The road show will be followed by Mode Tour, the second largest trade show of the year with the first being Hana Tour. At Mode Tour, we'll have a Guam pavilion with about a dozen different booth holders.

Director Kloppenburg made a motion, seconded by Vice Chairman Mesa, to approve travel for Director Jackson to attend the Hotel Investment Conference Asia Pacific (HICAP) 2017 in Hong Kong from October 18 - 20, 2017. Cost is approximately \$4,400.00 from FY2018 Korea Marketing Budget Account # KO-SMD023.

Motion approved

Breakdown:

Airfare:	\$1,500.00
Lodging Per Diem: \$355 x 4 days + 25%	\$1,775.00
M&IE Per Diem: \$180 x 5 days + 25%	\$1,125.00
	\$4,400.00

Background: For 26 years, HICAP has been the unequalled annual gathering place for Asia-Pacific's hotel investment community, attracting the most influential owners, developers, lenders, executives, and professional advisors from around the globe.



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

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

Action: Board approval required for travel.

- Director Jackson stated that he has been to HICAP for the last four years, so he will be attending for continuity purposes and to try to attract investors. GEDA also attends and arranges the meetings during the conference. Director Jackson will attend the meetings with GEDA to provide tourism knowledge support. President Denight agreed that this is a good partnership.
- Vice Chairman Mesa asked if GHRA is participating. Director Jackson stated that GHRA is a private organization that manages the affairs of hotels on island. Marketing and investment efforts have never been apart of their mission. Vice Chairman Mesa then asked what he has taken away from HICAP from the last four conferences that he has attended. Director Jackson replied that attracting investors is a long process. GEDA has been contacted by parties they have met with at HICAP in the past and some have come to take tours and look at potential properties, but investing \$50 million to \$200 million does not happen overnight. Director Shinohara asked if it still makes sense for him to attend if GEDA does not participate. Director Jackson stated that he is not aware that GEDA will not be participating but if that is the case, GVB's presence is still needed.

M. MEMBERSHIP & COMMUNITY OUTREACH

- Director Kloppenburg reported that the 3rd Quarter General Membership Meeting will be on Friday, October 6 from 12pm-1pm at the Westin. The meeting will feature guest speaker Barbara Wold.
- The last day to sign up for or renew membership is tomorrow. As of today, we have 147 renewals and 11 new members for a total of 158.
- Director Shinohara asked if Ms. Wold's presentation is only open to membership because at the last meeting, we did not have the best turnout and a lot of great information was shared. Destination Specialist for Visitors Safety and Satisfaction Meriza Peredo reported that Ms. Wold will be giving a second presentation at 2pm for GHRA, SBDC, the Chamber of Commerce, and International Business at the University of Guam. President Denight added that there are 180 SGF participants, so it was a good idea to add another presentation. Director Kloppenburg noted that we did something similar with the previous guest speaker, David Gossack and the University of Guam.

VII. OLD BUSINESS

VIII. NEW BUSINESS

- At the request of Chairman Morinaga, President Denight gave a brief update on the recovery plan for Japan. He stated that we do not just want to simply share the message that Guam is a safe destination. Instead, the team is thinking about using the theme of the 50th Anniversary. In 1967 we welcomed the first Pan Am flight from Tokyo carrying 109 travel agents and Japanese media. This is a historic occasion that expresses the long relationship and friendship between Japan and Guam. It also carries the message that Guam has always been a safe destination for Japan. We have already been in contact with travel agent partners (OTAs and traditional travel agents) through JGTC about how we can support co-ops, which would be the first phase. One



example is a \$150 coupon that can be used here for meals and optional tours. The second phase would be a mega fam tour. We would bring around 500 travel agents and media to Guam so they can see firsthand how safe Guam is. This method has been proven to work, as Malaysia used a 5,000 pax fam tour to bring their arrival numbers up in 2000. The third phase would be an advertising campaign to promote the 50th Anniversary. At the minimum, we would go with web advertising, but if we choose to do more, we would add television and nationwide newspapers. For the final phase, we would create a 50th Anniversary logo that will be featured on travel agent materials and advertising to wrap up the campaign. For the advertising phase, we are currently looking at the level of advertising we want and what sort of budget allocation is feasible. We are looking at hosting the fam tour in mid-November, but it will be a heavy lift in a short span of time. He assured the board that the team will try to do as much as they can with the existing budget but he noted that advertising in Japan is extremely costly, so they may request for more help.

- o President Denight announced that Senator Rodriguez introduced a bill to provide GVB with 3.4 million marketing dollars to come from the sale of some of the Tanota properties and the taxes from those sales. He thanked Senator Rodriguez for his continued support for working in partnership with us.
- o Regarding the Japan recovery plan, Director Jackson asked if there is going to be an industry wide effort. President Denight stated that the plan was developed with JGTC which is made up of travel agents and airlines but we can broaden the plan locally to include Shop Guam participants and other partners. He stressed that we all need to work together for this plan to be successful.
- o Chairman Morinaga shared his suggestions to assist with recovery in the Japan market. He would like for United Airlines to make flights to Guam unique (e.g., give out local products/snacks in flight, say "Håfa Adai" at the gates at Narita Airport). He also reached out to the Guam airport to have staff greet visitors with "Håfa Adai." Director Shinohara mentioned that some things are already in the works.
- o Vice Chairman Mesa announced that there will be a hearing on October 4 regarding the RFI Senator Rodriguez put out for the cruise opportunity. Senator Rodriguez's Deputy Chief of Staff Joe Mesngon said he would follow up on the notice that was scheduled to be sent out today.
- o Director Nault announced that the next JMC meeting will be on October 17.
- o Chairman Morinaga asked Mr. Mesngon to extend a thank you to Senator Rodriguez for continuing to support our efforts.

IX. EXECUTIVE SESSION

X. ANNOUNCEMENTS

Announcements:

- o Ko'ko' Press Conference: 6pm, Thursday, October 5, 2017 at the Guam Museum
- o Quarterly Membership Meeting: 11am, Friday, October 6, 2017, The Westin Resort Guam, Somnak Room
- o Barbara Wold Presentation for Shop Guam participants, Small Business Development Center, GHRA, and UOG Professional and International Programs: 1:30pm, Friday, October 6, 2017, The Westin Resort Guam, Somnak Room

Upcoming Board Meetings:

- o Thursday, October 12, 2017 at 3:30pm, GVB Main Conference Room
- o Thursday, October 26, 2017 at 3:30pm, GVB Main Conference Room

XI. ADJOURNMENT



Director Shinohara made a motion, seconded by Director Kloppenburg, to adjourn the meeting. Meeting adjourned at 4:39pm.

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. **Assignment of the Chairperson for the Administration and Government Relations Committee**
2. **Management to facilitate meeting with GVB, GIAA, and GEDA regarding the current situation in the Japan market**
 - President Denight and Director of Global Marketing Laguana participate in a weekly call with GIAA and ASM World Route Development Consultants
 - Chairman Morinaga, President Denight, and Vice President Muna met with GIAA Chairman Ricardo Duenas and Executive Manager Charles Ada on August 2
3. **Management to work with DRT on extended homestay issue**
 - Letter sent to DRT Director on August 29 requesting to appoint a DRT representative to work with GVB TIR to establish and implement an outreach program
4. **Develop list of safety tips/guidelines for car rental companies to review with all customers at every point of sale**
 - Letter sent to DRT Director on August 29 requesting for a list of car rental companies
5. **Management to look into lack of restrooms at Plaza de Espana and surrounding area**
 - Management reached out to the Guam Museum; their restrooms are open to the public
6. **Overgrown trees along Ypao Road**
 - Flame tree to be trimmed within the next few weeks
7. **Stray dog issue**
 - Destination Specialist Ada reached out to Mayor Rivera on September 22
 - Mayor Rivera is working with Animal Control Division and the Governor's Office
8. **Streetlights out near California Pizza Kitchen**
 - Resolved