BOARD OF DIRECTORS REGULAR MEETING
Thursday, February 22 2018 - 3:30pm
Guam Visitors Bureau - Main Conference Room

BOARD OF DIRECTORS PRESENT:
Director Milton Morinaga       Director Monte Mesa
Director Brad Kloppenburg     Director Young Hong
Director Theresa Arriola      Director William Nault
Director Robert Hofmann       Director Samuel Shinohara
Director Satoru Murata        Director Tatsuo Takano

BOARD OF DIRECTORS TELEPHONICALLY:

BOARD OF DIRECTORS ABSENT:
Director Eduardo “Champ” Calvo     Director Bartley Jackson
Director Katarina Sgro            

GVB MANAGEMENT & STAFF PRESENT:
Jon Nathan Denight               Rose Cunliffe
Brian Borja                      Doris Ada
Nico Fujikawa                    Colleen Cabedo
Pilar Laguna
Gabbie Franquez                  June Sugawara
Nadine Leon Guerrero             Maria San Nicolas
Lisa Linek                       Frances Aguon
Sydney Leon Guerrero             Karida Brennan
Maura Yi                         Josh Tyquienko
Josh Tyquienko                   Dee Hernandez
Mark Manglona                    Nakisha Garrido
Elaine Pangelinan                Kraig Camacho

GVB MANAGEMENT & STAFF TELEPHONICALLY:

GUESTS:
Wanye Chargualaf, Marianas Business Journal/Glimpses
Karri Perez, Leading Edge

I. CALL TO ORDER
Chairman Morinaga called the meeting of the board to order at 3:33 pm.

II. MINUTES OF THE PREVIOUS MEETING
Exhibit A

Vice Chairman Mesa made a motion, seconded by Director Hong, to approve the
minutes of the previous board of directors meeting dated January 11, 2018.
Motion unanimously approved (Subject to minor revisions)

III. CHAIRMAN’S REPORT

- Chairman Morinaga welcomed everyone to the meeting after having cancelled the two
previous ones. He reported his trip to China was a successful one, after having met with the
airport authority of Shenzhen Bao’an International Airport, they expressed interest in
meeting with GIAA officials to discuss possibilities of becoming sister airports. But more
research must be done with the State Department to seek approval. Approval from state
department. Friendly airport.
- Japanese magazine featured Chairman Morinaga on their latest issue covering Guam’s
Harley Davidson shop, where motorcycle enthusiast can rent during their visit.
Chairman Morinaga stressed the importance of reviving Japanese school trips to Guam. He suggested reaching out to schools and universities and to give them options for technical visits, as defined by Director Nault. It would be a good opportunity for students to not only visit schools but to see how the Guam government/business industry works by engaging them with local leaders and site visits (i.e. United Airlines and the Guam Legislature). Tour companies can make a push for these types of tours. The board agrees and is hopeful school trips in the Japan Market will return. Director Nault advised a technical visit program manual needs to be created and in place with the industries and media.

The Czech Republic Ambassador for the US in Washington DC and in Manila made a visit last week. The Czech Republic and Guam have a long-standing missionary relationship with flights coming through Incheon. Chairman Morinaga would like the Korean market to reach out to this possible market. They are a visa waiver country and also have global entry access.

### IV. PRESIDENT & CEO'S REPORT

#### January 2018

<table>
<thead>
<tr>
<th>% Market Share</th>
<th>Origin</th>
<th>2017</th>
<th>2018</th>
<th>% to LY</th>
</tr>
</thead>
<tbody>
<tr>
<td>22.7%</td>
<td>Japan</td>
<td>58,791</td>
<td>41,083</td>
<td>-29.1%</td>
</tr>
<tr>
<td>54.7%</td>
<td>Korea</td>
<td>56,332</td>
<td>66,707</td>
<td>20.0%</td>
</tr>
<tr>
<td>0.9%</td>
<td>China</td>
<td>4,046</td>
<td>1,183</td>
<td>-69.8%</td>
</tr>
<tr>
<td>0.3%</td>
<td>Hong Kong</td>
<td>2,067</td>
<td>411</td>
<td>-79.9%</td>
</tr>
<tr>
<td>1.8%</td>
<td>Taiwan</td>
<td>3,859</td>
<td>2,257</td>
<td>-41.4%</td>
</tr>
<tr>
<td>4.8%</td>
<td>US/Hawaii</td>
<td>7,782</td>
<td>6,072</td>
<td>5.4%</td>
</tr>
<tr>
<td>0.8%</td>
<td>Philippines</td>
<td>1,228</td>
<td>957</td>
<td>-22.1%</td>
</tr>
</tbody>
</table>

#### Fiscal Year to Date 2018

<table>
<thead>
<tr>
<th>% Market Share</th>
<th>Origin</th>
<th>2017</th>
<th>2018</th>
<th>% to LY</th>
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</thead>
<tbody>
<tr>
<td>33.7%</td>
<td>Japan</td>
<td>258,380</td>
<td>168,678</td>
<td>-33.6%</td>
</tr>
<tr>
<td>51.0%</td>
<td>Korea</td>
<td>208,335</td>
<td>255,724</td>
<td>22.3%</td>
</tr>
<tr>
<td>1.0%</td>
<td>China</td>
<td>9,433</td>
<td>5,240</td>
<td>-44.5%</td>
</tr>
<tr>
<td>0.5%</td>
<td>Hong Kong</td>
<td>5,546</td>
<td>2,471</td>
<td>-54.6%</td>
</tr>
<tr>
<td>1.6%</td>
<td>Taiwan</td>
<td>13,571</td>
<td>8,213</td>
<td>-39.2%</td>
</tr>
<tr>
<td>4.9%</td>
<td>US/Hawaii</td>
<td>23,668</td>
<td>24,740</td>
<td>4.9%</td>
</tr>
<tr>
<td>1.9%</td>
<td>Philippines</td>
<td>8,290</td>
<td>7,700</td>
<td>-6.5%</td>
</tr>
</tbody>
</table>

**Source:** Guam Visitors Bureau, Figures for 2017-2018 are preliminary and subject to change.
### Japan Market Update

**Capacity Forecast in 2018**

- **Total Flights:** 4,595,505
- **Departure Flights:** 3,800
- **Fukushima (18):** 3,300 seats
- **Chura:** 40,000 flights

**FY 2017 - 30% (2,359,500 seats)**

### Air Service Development

1. **Charter Plan 2018**
   - GW charter flights are planning to fly from Narita, Nagoya and Fukuoka.
   - Long-term charter program for the coming summer and autumn period.
   - More than 100 flights will fly from major ports in Japan.

2. **Regular Operation**
   - Keep discussing with Japanese carriers including LCCs and foreign carriers.
   - Aggressively approach full service carriers.

3. **South Korea National Carriers**
   - Korean-registered airlines are still approaching MOHE to acquire the operating rights from Japan to third country.
   - Several Korean national carriers are on the table.

### Golden Week Charter Information

8 Charter flights will operate during Golden Week period (28 Apr - 6 May):

<table>
<thead>
<tr>
<th>Airline</th>
<th>Departure Date</th>
<th>Return Date</th>
<th>Aircraft</th>
<th>Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>JAL</td>
<td>02-Mar</td>
<td>06-Mar</td>
<td>811-800</td>
<td>188</td>
</tr>
<tr>
<td>JAL</td>
<td>03-Mar</td>
<td>07-Mar</td>
<td>811-800</td>
<td>188</td>
</tr>
<tr>
<td>JAL</td>
<td>04-Mar</td>
<td>08-Mar</td>
<td>811-800</td>
<td>188</td>
</tr>
<tr>
<td>JAL</td>
<td>05-Mar</td>
<td>09-Mar</td>
<td>811-800</td>
<td>188</td>
</tr>
<tr>
<td>JAL</td>
<td>06-Mar</td>
<td>10-Mar</td>
<td>811-800</td>
<td>188</td>
</tr>
<tr>
<td>JAL</td>
<td>07-Mar</td>
<td>11-Mar</td>
<td>811-800</td>
<td>188</td>
</tr>
<tr>
<td>Korean Air</td>
<td>02-May</td>
<td>06-May</td>
<td>787-800</td>
<td>138</td>
</tr>
<tr>
<td>Korean Air</td>
<td>03-May</td>
<td>07-May</td>
<td>787-800</td>
<td>138</td>
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<tr>
<td>Korean Air</td>
<td>04-May</td>
<td>08-May</td>
<td>787-800</td>
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<td>09-May</td>
<td>787-800</td>
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<td>Korean Air</td>
<td>06-May</td>
<td>10-May</td>
<td>787-800</td>
<td>138</td>
</tr>
</tbody>
</table>

**Summary by port:**

- **Narita:** 245 seats
- **Nagoya:** 735 seats
- **Fukuoka:** 390 seats
- **Kansai:** 138 seats
- **Naha:** 138 seats
- **Total:** 1,685 seats

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**HIS Package Tour:**

- **Exclusive tour (6n + United x GVB):**
- **Sales period:** Jan - Mar
- **Travel period:** Jan - Jun
- **Produced by HIS Travel Agency**
- **Tour includes:**
  - Free hotel transportation
  - Free trip to Coco Island
  - Free UA lounge access in Naha
  - Price: $59,800

**Rekuten x GVB Sales Campaign:**

- **Sales period:** Mid-Mar - Apr
- **Travel period:** Apr - May
- **Target:** 100% v.v.

**KNT x GVB Sales Campaign:**

- **Sales period:** Mid-Mar - May
- **Travel period:** Apr - Jun
- **Target:** 100% v.v.
AD: Transit AD at Tenjin Station in Fukuoka

Period: Jan 31 – Feb 13, 2018

<table>
<thead>
<tr>
<th>AD media</th>
<th>Date</th>
<th>Period</th>
<th>Unit</th>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fukuoka AD screen</td>
<td>1/17-2/13</td>
<td>7 days</td>
<td>9000</td>
<td>81,612</td>
<td>46,600</td>
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<tr>
<td>Fukuoka station Big banner/5 Twin sheets</td>
<td>1/17-2/13</td>
<td>5 days</td>
<td>12,000</td>
<td>10,080</td>
<td>5,040,700</td>
</tr>
<tr>
<td>Tenjin Twin banner 850×1000m²</td>
<td>1/17-2/13</td>
<td>5 days</td>
<td>28,000</td>
<td>31,500</td>
<td>157,500</td>
</tr>
<tr>
<td>Tenjin Twin banner 500×700m²</td>
<td>1/17-2/13</td>
<td>5 days</td>
<td>10,000</td>
<td>10,000</td>
<td>40,000</td>
</tr>
<tr>
<td>Tenjin Twin banner 300×500m²</td>
<td>1/17-2/13</td>
<td>5 days</td>
<td>7000</td>
<td>7000</td>
<td>28,000</td>
</tr>
<tr>
<td>Tenjin Twin banner 50×700m²</td>
<td>1/17-2/13</td>
<td>5 days</td>
<td>5000</td>
<td>5000</td>
<td>20,000</td>
</tr>
<tr>
<td>Tenjin Twin banner 30×500m²</td>
<td>1/17-2/13</td>
<td>5 days</td>
<td>3000</td>
<td>3000</td>
<td>12,000</td>
</tr>
<tr>
<td>Tenjin Twin banner 15×300m²</td>
<td>1/17-2/13</td>
<td>5 days</td>
<td>1500</td>
<td>1500</td>
<td>6000</td>
</tr>
<tr>
<td>Tenjin Twin banner 10×200m²</td>
<td>1/17-2/13</td>
<td>5 days</td>
<td>1000</td>
<td>1000</td>
<td>4000</td>
</tr>
<tr>
<td>Tenjin Twin banner 5×100m²</td>
<td>1/17-2/13</td>
<td>5 days</td>
<td>500</td>
<td>500</td>
<td>2000</td>
</tr>
<tr>
<td>Tenjin Twin banner 1×50m²</td>
<td>1/17-2/13</td>
<td>5 days</td>
<td>100</td>
<td>100</td>
<td>400</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>46,612</td>
</tr>
</tbody>
</table>

AKB Concert Tour

- Candidate date: April 1, 2018
- Venue: The Beach
- Goal: 2,000 pax
- JAL, JRA, KNT, TOBU Top, Rakuten travel etc. will join tour sales
- Package tour
  - Sales start: January 15, 2018 (Planned)
  - Fan Club tour

Korea Marketing News

**Korea Marketing News**

**5th Annual MBC Golf Tournament in Guam**

TV Station: MBC News Plus
Program Schedule: 10 PM Every Monday
Rating Time: 60 minutes per episode (total of 10 episodes)
Broadcast: 6 different channels
- MBC Sports Plus: 60 mins x 10 episodes
- MBC Sports Plus 2: 60 mins x 10 episodes
- MBC Every 60 mins x 10 episodes
- MBC Every: 60 mins x 10 episodes
- MBC Global Channel: 60 mins x 10 episodes
- MBC Golf Channel: 60 mins x 10 episodes
- MBC: 60 mins x 10 episodes

Exposure: 68,5 million media exposure (total)
Filmed: December 11-14, 2017

Air Seoul Mint Story Filming

Coop with Air Seoul: Mint Story Video Shooting
- Period: December 10 - December 14, 2017
- Mint Story a series by Air Seoul to promote the destinations that they service

MINT STORY

**ON OUR WAY TO PARADISE**
Regular Board Meeting - February 22, 2018 (5/18)

Korea Marketing News

Korea Marketing News

Guam Family Ambassador Production Tour

Period: January 21-23, 2018

Background: GVB partnered with the Lee Family as they were Guam Family Ambassadors from Korea. The idea to capitalize on this opportunity was brought forward by the Guam Visitors Bureau, which invited the Lee Family to provide a first-hand experience of Guam. The Lee Family was accompanied by a crew from Korea, with a goal to produce a campaign content that would be relevant to the local market.

Objective: To promote Guam as a travel destination for Korea-based travelers.

Korea Marketing News

2018 Hafe Adal Study Tour FAM

Period: January 19-26, 2018

Participants: 12 participants from Hoteliers, Travel Agents, and Tourism Professionals from Australia, NTA, and Hoteliers from Korea. The participants were selected to visit various tourist destinations in Guam.

Objective: To conduct study tours focused on travel and to promote Guam as a travel destination for the Australian market.

Korea Marketing News

Official GVB Korea Naver Blog & Kakao Plus Launch Event

Period: January 20-23, 2018

Guam Naver Blog: www.gvb.korea.naver.com
Kakao Plus: www.gvb.korea.kakao.com

As of 2/16/2018: Naver 1,972 followers / Kakao Plus 2,050 followers

Korean Air Travel Agent CEO FAM Tour

Period: March 14-17, 2018

Participants: 20 travel agents from Korea's major travel wholesalers, hotel chains, or travel agencies.

GVB’s Support: Hotel accommodations, ground transportation, and dinner.

SAVE THE DATE:
Friday, March 16, 2018
6:00 pm - 8:00 pm
Venue: To be announced

GUAM VISITORS BUREAU | SETBISION BISITAN GUAM
401 Pale San Vitores Road | Tumon, Guam 96913 | Ph: (671) 646-5278 | Fax: (671) 646-8861 | www.visitguam.com
**China Marketing News**

- InstaGuam
- Weibo Page for #instaGuam
- 2,487,000 Viewer
- 300 discussions

**China Marketing News**

- Media Exposure for Oct – Jan: $735,949
- Current Arrivals:
  - October 1 - January 31: 5,248 44% vs. LY
  - Due to NK, UA pricing policy, lack of seats from KE for transit pax, CNY timing
- Sources state Feb seats for UA PVG soldout
  - Looking for new airline partners
    - Airline meetings held with 3 carriers (est 8m to fly for 1 to start)
    - KE committed to providing more seats
    - New partnership with PAL for through traffic

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**China Marketing News**

- Sales Mission for Shanghai
- March 5 – 8
  - Concentration in Shanghai due to UA pullout
  - Meeting with agents about KE and PAL offers

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**Taiwan Marketing News**

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New Line Marketing News
TAIWAN MARKETING NEWS

- China Airlines to increase its direct service to 5x weekly by adding a Sunday flight effective March 25 through October 25, 2018
- Aircraft remains Boeing 737-800
- 21 flights * 155 seats = 3,255 monthly capacity
- Group ticket pattern will be 5D4N except on the Sunday flight pattern will be 6D5N

<table>
<thead>
<tr>
<th></th>
<th>COE</th>
<th>GUM</th>
<th>TPE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monday</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuesday</td>
<td>07:20 - 13:15</td>
<td>14:40 - 17:30</td>
<td>5D4N</td>
</tr>
<tr>
<td>Wednesday</td>
<td>08:30 - 14:15</td>
<td>17:30 - 17:30</td>
<td>10H4N</td>
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<td>Friday</td>
<td>08:00 - 13:50</td>
<td>14:45 - 16:35</td>
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<td>Saturday</td>
<td>08:00 - 13:50</td>
<td>15:35 - 17:25</td>
<td>5D4N</td>
</tr>
<tr>
<td>Sunday</td>
<td>08:20 - 14:15</td>
<td>14:45 - 16:35</td>
<td>6D5N</td>
</tr>
</tbody>
</table>

TAIWAN MARKETING NEWS

- INSTAGUAM CAMPAIGN
  - First launched during ITF in October 2017
  - Social media promotion is thematic with monthly interactive contest and incentive gift
  - Users to tag and use related hash tags in order to be included in event

PHILIPPINES MARKETING NEWS

Travel Trade & Media Gathering hosted by GVB
February 7, 2018

- TA Luncheon at the Alba Restaurant, HDA
  - Total TA's: 45 pax
- Guam Media Gathering - City Club
  - Total Media: 25 pax
  - GHA Attended and had LIVE interview with Mr. Ben Alves of the Media Event
  - Guam resident for 20+ years
  - Graduate of JFK and UOG
  - Social Media influencer in the Philippines
  - GHA network's leading man

GVB/PAL Courtesy Visit
February 8, 2018

- Meeting with PAL International Sales Team Inbound/Outbound/Marketing Team
  - Revisit more collaboration w/ GVB & PAL
  - Work on SS Asa (Malaysia and Singapore)
  - More joint co-ops to introduce Guam to the TA's in SE Asia
  - Met with Mr. Brian Ang, PAL Inc's Sales Team
> PTAA B2B on Feb 9-10, 2018
  * Met with over 200 TA’s from PH
  * Active participation from B CVB Members: DFS, Pacific Star, PACTours, Tumon Sands Plaza, Pacific Island, Guam Reef, Hilton and Sheraton
  * First time attendance from 5 CVB members

PTAA Travel and Tour Expo 2018
Guam’s Interactive B2C Booth

GUAM VISITORS BUREAU
SETBISOON BISTAN GUAHAN
401 Pale San Vitores Road | Tumon, Guam 96913 | Ph: (671) 646-5278 | Fax: (671) 646-8861 | www.visitguam.com
Vice Chairman Mesa asked President Denight what is the marketing strategy plan for the Philippine market with the visa waiver issue. President Denight pointed out that working with our airline partners was key, educating them about Guam. Shopping on Guam is a unique selling point for the Philippine visitors, focusing on the AB market who are high end spenders while tying in works with Mikey Bustos, key opinion leaders and celebrities. We work with the US Commercial Service to educate and minimize the perception that a visa is hard to obtain or the fear of getting denied after paying a $160 application fee. In addition, GVB and GEDA are working on a Guam event to promote travel with Guam products in Bonifacio High Street Philippines, similar to what other countries do (“UK Day”). Lastly, the team is working on targeting expats with no visa requirement. Director Mesa suggested looking into MICE business opportunities such as medical conferences too. President Denight said they are working on MICE groups but with the North Korea threats many have cancelled, as well as school groups. But a lot of efforts are being put into supporting these potential visitors in anyway possible.
## V. TREASURER'S REPORT

### FY 2018

<table>
<thead>
<tr>
<th>Description</th>
<th>Appropriation</th>
<th>Received to Date</th>
<th>Balance</th>
<th>27%</th>
<th>75%</th>
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</thead>
<tbody>
<tr>
<td>Operations</td>
<td>$213,769,218.00</td>
<td>$4,263,213.24</td>
<td>$159,484,834.78</td>
<td>$3,372,727.28</td>
<td></td>
</tr>
<tr>
<td>Sustained Marketing - Korea</td>
<td>$4,000,000.00</td>
<td>$727,272.72</td>
<td>$113,750.22</td>
<td>$2,372,727.28</td>
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<tr>
<td>Destination Development</td>
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<td>$271,248.68</td>
<td>$55,000.02</td>
<td>$89,250.02</td>
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<tr>
<td>GVB Cruise Ship Industry Development Program</td>
<td>$50,000.00</td>
<td>$12,499.98</td>
<td>$37,500.02</td>
<td>$75%</td>
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<tr>
<td>Rainy Day Fund</td>
<td>$500,000.00</td>
<td>$49,999.98</td>
<td>$150,000.02</td>
<td>$75%</td>
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<tr>
<td>Cultural &amp; Sports Ambassador Fund</td>
<td>$200,000.00</td>
<td>$99,999.98</td>
<td>$52,500.02</td>
<td>$75%</td>
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<tr>
<td>Pass Thru</td>
<td>$730,000.00</td>
<td>$197,499.78</td>
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<tr>
<td><strong>TOTAL RECEIVABLES FY 2018</strong></td>
<td>$20,075,218.00</td>
<td>$6,293,803.68</td>
<td>$18,781,412.34</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Accounts

#### RESTRICTED
- Bank of Guam - Rainy Day Fund: $1,666,959.62
- Cultural & Sports Ambassador Fund: $225,332.83
- GVB Cruise Ship Industry Development Program: $12,499.98
- **TOTAL RESTRICTED** $2,012,822.43

#### UNRESTRICTED
- Bank of Guam - Operations: $11,276,479.88
- First Hawaiian Bank - Membership: $76,000.00
- Resona: $226,398.23
- Bank of Guam - TAF: $539,662.55
- Raymond James - Co value as of 12/31/2017: $2,542,230.79
- **TOTAL UNRESTRICTED** $16,493,598.70

### TOTAL CASH as of 2/10/2018
- $16,493,598.70

### Current Payables

- Aastau Invoices (DEC): $925,940.83
- Japan Invoices: $171,160.46
- Guam Invoices: $177,915.11
- Pass Thru: $10,833.33
- Encumbered Contracts: $3,943,023.22
- Encumbered Purchase Orders: $107,952.02
- **TOTAL PAYABLES as of 2/10/2018** $5,488,229.96

### NOTES

#### NOTE 1

- $1,666,959.62 Rainy Day Fund
- $1,560,959.62 Rainy Day expenses Japan - reimburse Operations
- **$3,227,919.28**

#### NOTE 2

- $225,332.83 Cultural & Sports Ambassador Fund
- **$225,332.83** Cultural & Sports Ambassador expenses - reimburse Operations

#### NOTE 3

- $2,542,230.79 Raymond James - Co
- **$2,542,230.79** Raymond James - Co
- **$2,542,230.79** Raymond James - Co
- **$1,59,230.98** PAID - China airline incentive program and market advertising
- **$300,000.00** PAID - Sponsorship Guam Football Association
- **$200,000.00** PAID - GESA imagine Guam Masiyapen Overlay
- **$70,378.99** PAID - Guai Marianas Tourism Authority Project
- **$2,783,552** PAID - Planning, Architectural and Engineering Services for Guam Bay Improvement
- **$15,000.00** PAID - Sponsorship Guam Basketball Federation FIBA U17 Championship
- **$1,50,000.00** PAID - Regains maintenance and streetscape project for GMYF
- **$114,421.65** BALANCE - planning, Architectural and Engineering Services for Guam Bay Improvement
- **$35,000.79** BALANCE - planning, Architectural and Engineering Services for Guam Bay Improvement

### February 18, 2018
Director Shinohara reported the Bureau is two months behind on collecting allotments; $1.6 million in operations were collected today. He expressed concerns especially with the government’s cash crunch. He advises the Bureau will have to tighten up and be mindful on spending.

Director Arriola said there should be a contingency plan for when the cash flow slows down. February is known to be a slow tax collection month, which will inevitably affect March payouts for allotments. President Denight reassured the Board that he will do his best to make sure the Bureau is prioritized and the funds be available so the Bureau can do its job.

VI.

REPORT OF THE BOARD COMMITTEES

A. EXECUTIVE COMMITTEE

GUAM-CNMI ONE MARIANAS SUMMIT

Vice Chairman Mesa made a motion, seconded by Director Shinohara, to ratify Executive Committee’s travel approval for GVB Vice President to attend the One Marianas Summit in Saipan, CNMI. Projected months: January 31 - February 3, 2018. Estimated total cost for is $1,608.75; Account #PA-SMD023. Motion approved

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<th>Airfare:</th>
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<tr>
<td>GVB Vice President*</td>
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*Additional 25% added for GVB Vice President

Background: The GVB Vice President was requested by Governor Eddie B. Calvo to attend the One Marianas Summit in Saipan, CNMI as Guam’s Tourism Representative. The summit, which was created through a cooperation pact signed by the Governor of Guam and the Governor of the CNMI, is an opportunity to collectively address topics such as free trade, food security, health, tourism, homeland security, labor, etc.

Issue: Board approval required for travel

BUSINESS DEVELOPMENT MEETINGS

Vice Chairman Mesa made a motion, seconded by Director Shinohara, to ratify Executive Committee’s travel for GVB Board Chairman and GVB President & CEO, to attend business development meetings in Tokyo, Japan from February 25, 2018 - February 27, 2018. Estimated cost: $6,537.50; Account # JA-SMD008. Motion approved

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<td><strong>Tokyo</strong></td>
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<td>Miscellaneous Expenses (Communications, excess baggage, etc.):</td>
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Total: $6,537.50
Background: The Rotary International District 2750 District Conference will take place from February 26 to February 27, 2018 in Tokyo, Japan. Chairman Morinaga and President Denight have been invited to attend the event as special guests and to help promote next year's conference that will be held on Guam. The Rotary Club of Guam's goal is to have between 1,200 and 1,500 Rotarians attend the conference in 2019 and Chairman Morinaga and President Denight can help promote the event at this year's conference. In addition, the Governor, Vice Governor, and other VIP members of District 2750 have requested to personally meet with Chairman Morinaga and President Denight apart from the district conference.

While in town, GVB delegates will also attend meetings with airline partners. With the decline of direct air service in the Japan market, it is crucial that GVB headquarters continues to work aggressively to attract more air seats.

Airfare costs noted above are based on current rates from Guam to Tokyo, Japan.

Issue: Board approval required for travel.

- President Denight notified the Board that on his trip he will be meeting with airline partners to maximize time.

SEATRADE CRUISE GLOBAL 2018

Director Kloppenburg made a motion, seconded by Director Shinohara, to ratify Executive Committee's travel for GVB Board Vice-Chairman, GVB Vice-President, and registration fees for the Port Authority of Guam General Manager to attend the Sea Trade Cruise Global 2018 from March 4-9, 2018 in Fort Lauderdale, Florida. Estimated cost from the FY18 appropriation by the legislature to GVB for cruise ship development.

Motion approved

| Airfare:        | $2,000.00 x 2 pax | $4,000.00 |
| Registration:   | $1,799.00 x 3 pax | $5,397.00 |
| Per Diem:       |                    |          |
| Ft. Lauderdale, FL | Lodging  | Nights | M&IE  | Days |          |
| Vice Chairman   | $243.75  | 5      | $80.00 | 6    | $1,698.75 |
| Vice President  | $243.75  | 5      | $80.00 | 6    | $1,698.75 |
| **Total:**      | **$12,794.50**    |          |

Background: The SeaTrade Cruise Global has been the cruise industry's premier global event, bringing together buyers, suppliers, and cruise line executives for a week of networking, sourcing, innovation and education. Thousands of cruise line executives, buyers and decision makers from all over the world attend SeaTrade Cruise Global.

In partnership with the Port Authority of Guam working on a RFI to gather interest among cruise ship development companies to create a home ported ship on Guam. This will be released prior to SeaTrade Cruise Global. Attending SeaTrade Cruise Global will provide us an opportunity to market the RFI but also provide an opportunity for management to expand their networking and gain intimate knowledge of cruise operations.

Our strategic Tourism 2020 Plan outlines the growth of regional tourism through the development of Guam's global cruise industry. The global cruise industry is one of the world's fastest growing tourism segments and data from the Cruise Line International Association
shows that the demographic profile of the cruise market is a desirable one for destinations seeking higher-yielding visitors.

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

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**TESTIMONY ON BILL NO. 226-34**

Exhibit C

Director Arriola made a motion, seconded by Director Kloppenburg, to ratify Executive Committee's approval of GVB's testimony on Bill No. 226-34, "An act to amend Subsection (a)(15) of §12802 of Article 8 of Chapter 12, Title 10 Guam Code Annotated, to add a §12802(a)(16) to Article 8 of Chapter 12, Title 10 Guam Code Annotated, and to add a new Article 26 to Chapter 12 of Title 10, Guam Code Annotated, relative to establishing certification and licensure requirements for the massage therapy industry on Guam under the oversight of the Allied Health Board".

**Motion approved**

- President Denight stated the testimony incorporated statements from GHRA and members and it would be difficult to implement this law when there is no infrastructure in place to support the plan.

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

**RESOLUTION NO. 2018-001**

Exhibit D

Director Arriola made a motion, seconded by Director Hofmann, to repeal the interim personnel rules and regulations of GVB and to approve Resolution No: 2018-001 relative to adopting the new GVB Personnel Policies and Guidelines for immediate implementation by the Guam Visitors Bureau Governing the rights, conduct, and obligation of employees and responsibilities and actions of management.

Director Arriola made a motion, seconded by Vice Chairman Mesa, to table the motion.

**Motion tabled**

- Director Arriola stated back in 2001 GVB adopted DOA's personnel rules and regulations. GVB has developed its own rules and regulations 17 years later with the help of Karri Perez. Upon review, Director Arriola asked if GVB's staff had ample time to review the difference of what is being proposed compared to what is currently being implemented. And if management and staff had a Q&A session to air out concerns. She also mentioned that GVB is not opting out of the GovGuam's retirement plan and suggested adding a prepayment provisions policy like one at the Santuary. She asked if there was a travel policy and to have included in the new personnel policies and guidelines. Director of Finance Cunliffe said there is a travel policy and credit card policy and it can be included. She added that not much has changed, just additional benefits for the staff.

- President Denight thanks the team on their work. GVB needed their own personal regulations and guidelines that is fit for the Bureau. He said it was important to make sure the staff did not lose any protection hence the addition of the personal action review panel of HR professionals so that employees may have a place to go should they want to make appeals to adverse actions. As well as the addition of a grievance section.

- Director Shinohara asked Karri Perez for a break down of the changes or additions made to the new personnel rules and guidelines. Karri explained rules and polices are always shifting with changes in federal law so they made sure it is status quo with that is current but most
filing for the bureau. It is a hybrid of guidelines taken from government agencies and the private sector.

- President Denight stated the policy and guideline was shared with staff earlier in the week, the Board can adopt it and improvements can always be made should any be needed. Marketing Manager Leon Guerrero informed the board that an initial presentation of the handbook was made and presented to staff about a month ago, but the policy and guidelines was shared with staff on Tuesday. Director Shinohara asked if staff were comfortable with the guidelines, the Board was informed staff were still reviewing.

- Director Arriola suggested taking the next two weeks to have management and staff discuss feedback and make changes as necessary through a Q&A session and have the motion tabled till the next board meeting. Vice Chairman Mesa also proposed to have the new personnel policies and guidelines be adopted now and any changes, should there be any, become effective April 1, 2018.

- President Denight said the motion could be tabled until the next board meeting to include the additional policy suggestions and changes after discussions with GVB Management and Staff, the Board agreed.

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**MOA WITH GEDA**

*Exhibit E*

**Director Kloppenburg made a motion, seconded by Director Shinohara, to approve MOA with GEDA regarding the Palacio.**

**Motion approved with 9 votes in favor and 1 against**

**Issue:** Board approval required.

- President Denight reported GVB is working with GEDA with directives given by Governor Calvo to complete renovations of Plaza de España to restore the historic Palacio, Governor’s Palace, in Hagåtña. The concept behind this project is not to build a Governor’s office but of a tourist site, composed of a two-story building with the first floor as a Visitor Center. The second-floor will be used as a historic site open to use as a venue for functions such as weddings and MICE groups. The MOA is the agreement with GEDA to manage the building of the project so the design meets our needs.

- Funding is $5 million from the HOT Bonds, which has already been approved and is being maintained by GEDA. The payment can be made step by step or at one time by sending an invoice to GEDA at the start of the project.

- There will be a construction management contract in place and GVB will manage.

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**LEGISLATIVE BILLS UPDATE**

*Exhibit F*

- President Denight gave a quick update on the legislative bills that are being proposed. Director Shinohara asked if membership were giving any input in regards to the bills, President Denight stated that he did not want to do anything specific with the members, there are constant public hearings and the Chamber of Commerce, as well as GHRA, have been involved.

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**C. RESEARCH**

- Director Shinohara announced the Research Committee will have their first meeting on March 1, 2018. The dashboard will soon be ready for release. The January arrivals report is almost finished and will be published soon. There were some staffing shortages within the department and Acting Director of Research Fujikawa has been filling in for half of 2017 with...
Director of Research Cid out sick tending to her health. The department also encountered some issues with the airport and having a staff on maternity leave.

D. GREATER CHINA

Committee minutes dated January 12, 2018

Exhibit G

TAIPEI TOURISM EXPO – SALES MISSION

Motion to approve travel for the GVB Board of Director Chairman, the Greater China Marketing Committee Chairperson or Vice Chairperson and the Taiwan Marketing Manager to travel to Taipei, Taiwan to attend the Taipei Tourism Expo (TTE) from May 2-6, 2018. Cost of travel is estimated at $7,108.00 from Taiwan market account TA-SMD-019.

Motion tabled

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<td></td>
<td><strong>$7,108.00</strong></td>
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Background: The TTE is the largest tourism event for the first half of the year in Taiwan organized by the Taipei Association of Travel Agents to be held at the Taipei World Trade Center. TTE is on its 12th year and in 2017, there were more than 25 countries with more than 1200 exhibition booths. GVB would engage in key activities to include a TTE press conference and hosting a Guam product update with key travel agents. In addition, GVB will meet with China Airlines to further strengthen relationships and extend a personal appreciation for their recent announcement to increase CI direct air frequency from 4x weekly to 5x weekly by adding a Sunday flight to Guam effective March 25, 2018. Overall, GVB’s participation would broaden awareness and outreach in the marketplace.

Taiwan continues to be an important tourism source and as Guam’s 3rd core market, GVB must continue to foster relationships with its trade partners in Taiwan through TTE. Guam’s presence in Taiwan is essential to continue its work to stimulate more business. While in Taiwan, GVB will provide a market update and bring more awareness to the Guam destination. GVB will also continue dialogue for enhanced air services and expand market outreach in other key cities particularly in southern Taiwan.

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

- Director Shinohara suggested the motion be tabled to the next meeting, he would like to make amendments to the motion so only one Board of Director is required to attend and hope to further discuss with Marketing Director Laguana.

E. JAPAN

Committee minutes dated January 16, 2018

Exhibit H
Director Nault reported a successful trip to Japan with Chairman Morinaga and President Denight to meet with travel partners, Manila Airlines and the US Consulate. JTB would like to extend their charter flights after the cancellation of United Airlines (UA) Japan flights decreasing flight capacity. Manila Airlines show interest in flying within the next year or after. Currently the 8320 aircrafts require e-tops to fly to Guam, causing issues, if they can switch to the 8321, they may consider flights to Guam.

- Met with the US Consulate in regards to pre-clearance out of Narita Airport, so Japanese visitors do not have to wait in long lines at GIAA, as well as at other US destinations.
- UA has cancelled night flights out of Osaka, Nagoya and Sendai; the 777 aircrafts flying out of Narita will be changed to the 737.
- Summer Treasure Hunt will be taking place this year working with JGTC Members and other OTA partners, details are being finalized and should be released at the next JMC meeting.
- The team is working on the Fukuoka campaign with UA in extension of their price decrease, fix fares, but hoping these fix fares would decrease more from the current $2,000 price. Director Nault also hopes to have a positive meeting with UA to increase seat capacities from Japan and once secured way to promote and market to the Japan consumers.
- Topic of Delta Airlines pulling out of Saipan and Palau will be discussed in the GVB/MVA Joint meeting.

**F. KOREA**

**Committee minutes dated January 9, 2018**

- Director Kloppenburg reports the Korea arrivals is still coming in strong.
- There will be a Korea CEO FamTour in March with about 32 CEOs from the wholesalers, travel agencies, and OTA. The itinerary and details are being finalized. GVB was asked to assist with hotel accommodations, ground transportation, banquet and welcome receptions.
- Jin Air will film a promotion March 18-21, similar to that of AirSeoul, of a mother and daughter vacation.

**G. NORTH AMERICA & PACIFIC MARKETS**

**Committee minutes dated February 5, 2018**

**H. RUSSIA & NEW MARKETS**

**Committee minutes dated February 16, 2018**

**I. MEMBERSHIP & COMMUNITY OUTREACH**

**J. VISITOR SAFETY & SATISFACTION**

- Chairman Morinaga reported there was a theft on a golf course, where players vacated their golf carts and personal belongings were taken from individuals hiding in bushes along the course. Warning signs should be posted to ensure safety and coordination with GPD may be needed in the future.

**K. CULTURAL & HERITAGE**

- Director Arrjola informed the Board March is Chamorro month, Mes Chamorro, and hopes the Bureau and other companies/offices celebrate in their own ways. Tomorrow at 4:00 pm will be the Proclamation Signing for Mes Chamorro, if available please attend.

**L. SPORTS & EVENTS**
o In absence of Sports and Event Chair, Director Nault reported the Governor’s Cup golf tournament was a successful event but Governor Calvo’s absence at the ceremony was unfortunate.
o United Airlines Guam Marathon will be taking place early April, Director Nault encourages everyone to sign up for the event. Director Hong asked if GVB could have a banner/signage for their booth so people may be aware of where to go during the event.

M. DESTINATION MANAGEMENT

o Vice Chairman Mesa reported 11 out of 12 bus shelters are complete. Flood mitigation: 14 out of 21 inlets compete, 3 out of 9 trenches complete, completion date had been moved back due to some infrastructure logistics and funding issues.
o Discussion is being made in Destination Management for BOND refinancing to make sure the Tumon infrastructure are well kept and maintained.
o Chairman Morinaga wants to make sure no trees are being cut down for the Trivision display.

VII. OLD BUSINESS

VIII. NEW BUSINESS

IX. EXECUTIVE SESSION

X. ANNOUNCEMENTS

Announcements:
o GVB/MVA Joint Meeting – Friday, February 23 at 10:00am, GVB Main Conference Room
o Guam History and Chamorro Heritage Day – Monday, March 5 (GVB closed)

Upcoming Board Meetings:
o Thursday, March 8, 2018 at 3:30pm, GVB Main Conference Room
o Thursday, March 22, 2018 at 3:30pm, GVB Main Conference Room

XI. ADJOURNMENT

Director Arriola made a motion, seconded by Director Hofmann, to adjourn the meeting. Meeting adjourned at 5:15pm.
Motion unanimously approved

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

Board Minutes respectively submitted by Maura Yi, Executive Secretary
Action Items:

1. Management to work with DRT on extended homestay issue
   → Create face sheet about how to register for B&B/transient vacation rental
   → Planning community outreach campaign for April/May

2. GVB Membership and HAP for food truck vendors
   → HAP signing with food truck vendors in the works, membership coordinator reaching out to them as well

3. Full report on proposed bills
   → Summary for proposed bills send to Board of Directors via email on January 22, 2018

4. Lean bar policy ADA compliance
   → Checked with TRMA, bus shelters are ADA compliant

5. Airlines carry-on/checked baggage computer policy
   → Laptops are allowed as carry-on on planes, lithium ion batteries must be carried in carry-on baggage only