



**BOARD OF DIRECTORS REGULAR MEETING**  
 Thursday, June 28, 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 Samuel Shinohara
Director William Nault	Director Bartley Jackson
Director Robert Hofmann	Director Satoru Murata

**BOARD OF DIRECTORS TELEPHONICALLY:**

**BOARD OF DIRECTORS ABSENT:**

Director Eduardo "Champ" Calvo	Director Tatsuo Takano
Director Katarina Sgro	

**GVB MANAGEMENT & STAFF PRESENT:**

Jon Nathan Denight	Antonio Muna Jr.	Maura Yi
Pilar Laguaña	Nadine Leon Guerrero	Nakisha Garrido
Laurette Perez	Dee Hernandez	Gabbie Franquez
Meriza Peredo	June Sugawara	Karida Brennan
Nico Fujikawa	Doris Ada	Josh Tyquiengco
Regina Nedlic	Elaine Pangelinan	Breeana Garrido
Mark Manglona	Maria San Nicolas	

**GVB MANAGEMENT & STAFF TELEPHONICALLY:**

**GUESTS:**

Joann Camacho, T-Galleria DFS  
 Sam Ilesugam, Payuta, Inc.

**I. CALL TO ORDER**

Chairman Morinaga called the meeting of the board to order at 3:32 pm.

**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 10, 2018.

Motion unanimously approved (Subject to minor revisions)

**III. CHAIRMAN'S REPORT**

- o Chairman Morinaga apologized for the cancellation of the past two scheduled board meetings, due to travel schedules. He expressed in his absence and Vice Chairman Mesa's absence the board should still try and meet.
- o Chairman Morinaga recently traveled to Korea for the Hana Tour Travel Show and CAPA LCCs Summit. He shared LCC companies are looking into long haul flights. If North Korea and South Korea moves forward with their peace treaty, it will open up a new way for travel over the Korean peninsula.
- o Young Entrepreneur Group (YEG) from Kashiwa, Japan came to visit earlier in the week.



IV. PRESIDENT & CEO'S REPORT



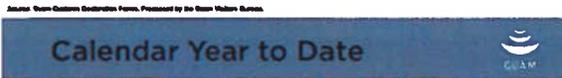
May 1-31, 2018 **Total: 113,804 (-4.2%)**

% Market Mix	Origin	2017	2018	% to LY
32.0%	Japan	47,140	26,403	-22.8%
53.2%	Korea	51,576	60,517	17.3%
1.5%	Taiwan	2,395	1,726	-48.9%
1.0%	China	1,638	1,098	-33.0%
6.1%	US/Hawaii	6,390	6,973	9.3%
0.4%	Hong Kong	1,679	458	-72.7%
1.5%	Philippines	1,918	1,723	-13.5%
0.2%	Russia	175	234	33.7%



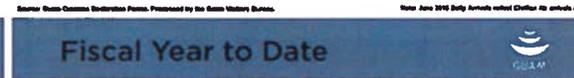
June 1-25, 2018 **Total: 100,916 (-1.0%)**

% Market Mix	Origin	2017	2018	% to LY
28.8%	Japan	41,427	29,096	-29.9%
56.0%	Korea	45,605	56,513	23.9%
2.5%	Taiwan	2,177	2,336	0.9%
0.7%	China	1,220	733	-39.9%
6.3%	US/Hawaii	5,516	6,319	18.9%
0.4%	Hong Kong	1,152	399	-65.4%
1.1%	Philippines	1,342	1,123	-9.6%
0.3%	Russia	244	329	34.8%



January - June 25, 2018 **Total: 728,888 (-3.3%)**

% Market Mix	Origin	2017	2018	% to LY
34.9%	Japan	321,178	284,384	-20.8%
49.3%	Korea	309,610	359,328	16.1%
1.9%	Taiwan	18,033	13,487	-29.1%
1.3%	China	12,344	9,144	-25.9%
8.8%	US/Hawaii	37,887	42,890	12.4%
0.4%	Hong Kong	10,542	2,826	-73.2%
1.2%	Philippines	8,732	8,820	-2.4%
0.3%	Russia	1,874	2,315	38.3%



October 2017 - June 25, 2018 **Total: 1,104,399 (-3.5 %)**

% Market Mix	Origin	2017	2018	% to LY
34.6%	Japan	502,767	382,177	-24.0%
49.5%	Korea	461,612	546,345	18.4%
1.8%	Taiwan	28,754	19,443	-32.4%
1.2%	China	17,731	13,209	-25.5%
8.5%	US/Hawaii	55,793	61,258	9.8%
0.4%	Hong Kong	14,040	4,886	-65.2%
1.3%	Philippines	15,754	14,853	-5.7%
0.3%	Russia	2,621	3,463	32.1%





**Japan Marketing News**

**School Visits in Osaka, Japan**

- Osaka Prefectural Board of Education - May 16
- Shiga Prefectural Board of Education - May 16
- Hyogo Prefectural Board of Education - May 17
- Higashi Nada High School - May 17
- Amagasaki-City Amagasaki High School - May 17
- Agenda: Plans for upcoming school trips, destination selection process, travel budget, local programs for students and reassurance that Guam is a safe destination



**Japan Marketing News**

- Kansai Tabihaku Travel Fair (KDF)**
- May 19-20, 2018
  - Kansai International Airport, Osaka, Japan
  - 43,000 attendees
  - GVB operated a booth, met with consumers, administered surveys, held photo sessions with Miss Guam and Guamzila, and distributed promotional materials throughout the duration of the two-day event



**Air Service Development Meeting with Japan Airlines**

- June 5, 2018, GVB Main Conference Room
- Participants: JAL, GVB, GVB-J, GIAA, GEDA
- Agenda: Sales update, air service development program, plans for winter period onward



**Japan Marketing News**

- Courtesy visit with Kashiewe Chamber of Commerce Young Entrepreneurs Group**
- June 26, 2018, GVB Main Conference Room
  - Participants: GVB, UOG, GEDA
  - Follow-up to April 2018 meeting with GVB and GEDA
  - Agenda: Made in Guam products, 40th Anniversary Overseas Exchange Project: Beyond the YEG to be held on Guam from November 16-21, 2018



**Japan Marketing News**

**Treasure Hunting Campaign**

- Campaign period: July 1 - October 7, 2018
- Total prizes received from members: 3,760+. Total prize value: \$61,000+
- 15 treasure hunt points such as GPO, Two Lovers Point, Chamorro Village, Jeff's Pirates Cove
- Treasure maps will be distributed at the following locations: TA desks at the airport, JTB Conch Lounge, HIS Lea Lea Lounge, HIS GPO Lea Lea Kiosk, T-Cat Kiosk, TA desks at hotels
- Participation prize: gold coins
- Campaign website: <http://www.takarubon.com/guam2018/>



**Japan Marketing News**

**VIP/CEO Familiarization Tour**

- July 9-11, 2018
- 26 confirmed participants
- Targeting executives who hold top-level management positions at some of Japan's best-known travel agencies and airline companies currently servicing Guam
- Itinerary: Welcome reception, Guam golf experience, optional tours



**Japan Marketing News**

**JEJU Air to launch Guam – Kansai service**

- Beginning July 21, 2018
- Six round-trip flights per week
- 5,700 direct flight seats per month
- Aircraft: B737-800 with 189 economy seats



**United Airlines resumes Boeing 777 service between Tokyo/Narita and Guam**

- Beginning October 28, 2018 through March 30, 2019
- UA will resume operating Boeing 777-200 aircraft on two of its three daily flights
- Offers nearly 900 daily seats each way between Tokyo and Guam, increasing seat capacity between the two countries by 80%



**Japan Airlines maintains double daily service through March 30, 2019**

- Period previously announced: March 25, 2018 to October 27, 2018
- Route features JAL Sky Suite 767-300ER aircraft with 24 fully-flat Business Class seats and 175 JAL Sky Wider Economy class seats
- Reservations and ticket sales will begin on June 27, 2018



**Japan Marketing News**

**Summer Charter Update**

- Period: July to September 2018
- Capacity by port:
  - Narita: 26,330 seats; Nagoya: 6,947 seats; Fukuoka: 390 seats
  - Total: 33,667 seats
  - Comparison with last year: 202% (July to September)

Airline	Dep. Port	Dep. Date/Period	Aircraft	Capacity
Twy	Narita	July 21, 2018 – September 17, 2018	B737-800	188
JALAIR	Narita	July 21, 2018 – October 24, 2018	B737-800	189
Uzbekistan	Nagoya	July 27, 2018 – August 29, 2018	A320-700	148
Jeju Air	Nagoya	August 10, 2018 – August 14, 2018	A737-800	189
Unacad	Narita	August 2/4/7/9/13/16/20/22/23/25/27, 2018	B737-700 or 800	118 or 166
Unacad	Nagoya	August 8/11/12/16/18/19/21, 2018	B737-700 or 800	118 or 166
JALAIR	Fukuoka	August 11, 2018	B777-200	390

**Japan Marketing News**

**Air Service Development Meetings**

- Japan Air Lines
  - April 27 in Tokyo, Japan
  - Agenda: Second daily flight operation, sales update, and opportunities for winter period
- HIS
  - April 27 in Tokyo, Japan
  - Agenda: Charter flights, sales plan, support from GVB, current market situation, and VIP Fam Tour



**Korea Marketing News**



GVB conducted a Guam Eco Wave project with (4) Korean artists from May 27-31, 2018. The artists contributed art murals in the village of Inarjan. Special thanks to Department of Parks & Recreation and Dr. Judy Flores

**Korea Marketing News**



(Left) Guam had the largest booth at the Hana Tour International Travel Show (June 7-10, 2018) among 1,540 booths from 600 destinations and partners that were represented.

(Right) Following Hana Tour International Travel Show GVB participated at KOTFA (June 14-17, 2018) and received the "Best Booth Design" award out of 60 countries.



**Korea Marketing News**



GVB hosted a food festival at Grand Hyatt Seoul on June 12, 2018. The festival showcased Guam's unique cuisine and culture and presented food crafted by Kitchen Lingo, a local chef and restaurant.

**SPORTS & EVENTS**

**Guam BBQ Block Party**



- Guam BBQ Block Party celebrates its sixth year on July 7, 2018 from 5:30 p.m. to 10 p.m. at Pleasure Island in Tumon
- Public parking available at Ypao parking lot (north side)
  - VSO presence
  - Food Trucks
  - Well Lit
  - Free Lam Lam trolley rides every 20 minutes
- Entertainment
- Hot Diggety Dog hot dog eating contest
- Classic car show
- T Galleria events
- Beer Gardens
- Free face painting and balloon art
- 10 competitors vying for 2018 Ultimate BBQ Grill Master title
- Nearly 20 vendors featured
- Road Closure 9 a.m. July 7 to 3 a.m. July 8 from the crosswalk between UnderWater World and T Galleria by DFS to the traffic light in front of



- o Director Arriola and the Director of Gumamami, Sam Ilesugam, both board members of Payuta, Inc. (non-profit organization) presented GVB with the "Decade Award to the Outstanding Government Agency in support of Non-Profit". Both Directors thanked GVB for their continued support as they presented the award to Chairman Morinaga and President Denight.





V. TREASURER'S REPORT

Exhibit B

EXHIBIT B

FY 2018					
	Appropriation	Received to Date		Balance	
Operations	\$ 18,750,216.00	\$ 11,139,141.11	59%	\$ 7,611,074.89	41%
Sustained Marketing - Korea	\$ 4,000,000.00	\$ 2,181,818.16	55%	\$ 1,818,181.84	45%
Destination Development	\$ 1,085,000.00	\$ 632,916.65	58%	\$ 452,083.35	42%
GVB Cruise Ship Industry Development Program	\$ 50,000.00	\$ 29,166.65	58%	\$ 20,833.35	42%
Rainy Day Fund	\$ 200,000.00	\$ 116,666.65	58%	\$ 83,333.35	42%
Cultural & Sports Ambassador Fund	\$ 200,000.00	\$ 116,666.65	58%	\$ 83,333.35	42%
Pass-Thru	\$ 790,000.00	\$ 460,833.00	58%	\$ 329,167.00	42%
<b>TOTAL RECEIVABLES FY 2018</b>	<b>\$ 25,075,216.00</b>	<b>\$ 14,677,208.87</b>		<b>\$ 10,398,007.13</b>	

Accounts

**RESTRICTED**

Bank of Guam - Rainy Day Fund <sup>1</sup>	\$ 1,674,272.01
Cultural & Sports Ambassador Fund <sup>2</sup>	\$ 292,096.38
GVB Cruise Ship Industry Development Program	\$ 16,800.57
<b>TOTAL RESTRICTED</b>	<b>\$ 1,983,168.96</b>

**UNRESTRICTED**

Bank of Guam - Operations	\$ 10,631,307.65
First Hawaiian Bank - Membership	\$ 56,959.94
Resona	\$ 86,129.59
Bank of Guam - TAF	\$ 520,745.56
Raymond James - CD value as of 5/31/2018 <sup>3</sup>	\$ 2,553,470.32
<b>TOTAL UNRESTRICTED</b>	<b>\$ 13,848,613.06</b>

**TOTAL CASH as of 6/25/2018**

**\$ 15,831,782.02**

Current Payables

Asatsu Invoices (MAR - APR)	\$ 1,205,671.02
Japan Invoices	\$ 175,554.68
Guam Invoices	\$ 192,625.92
Pass-Thru	\$ 24,166.65
Encumbered Contracts	\$ 2,483,915.56
Encumbered Purchase Orders	\$ 181,532.49
<b>TOTAL PAYABLES as of 6/25/2018</b>	<b>\$ 4,263,466.32</b>

NOTES

**NOTE 1**

\$1,674,272.01 Rainy Day Fund  
 (\$498,156.74) Rainy Day expenses Japan - reimburse Operations  
**\$1,186,115.27**

**NOTE 2**

\$292,096.38 Cultural and Sports Ambassador Fund  
 (\$26,109.00) Cultural and Sports Ambassador expenses - reimburse Operations  
**\$265,996.38**

**NOTE 3**

\$2,553,470.32 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  
 (\$842,642.84) 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  
 (\$10,000.00) PAID - Hagatna maintenance and streetscape project for GMIF  
 (\$57,357.16) BALANCE - Pale San Vitores Road Bus Shelter Project  
 (\$50,435.82) BALANCE - Planning, Architectural and Engineering Services for Tumon Bay Improvement  
**(0.00)**

June 25, 2018

- o Director Shinohara reports allotments are up to date but worries about receivables in the upcoming months.





- o Post GVB’s budget hearing, Director Shinohara wants to discuss the Legislature’s stance on increasing the customs’ fee by 100% and their push for GVB’s support. He is concerned with the consequence of increasing the cost of visitors when Guam is already an expensive destination. Chairman Morinaga agrees and states GVB needs to come up with a suggestion positive for both GVB and the government. He proposes management and the board come up with some proposals to discuss at the next board meeting.
- o The other topic for discussion is the challenges faced in the Japan. The board agrees that GVB needs to argue about protecting the resources necessary to promote our destination in the ever-growing competition for the same source market. Director Jackson suggests looking into our competitors’ spend in comparison to the amount GVB is spending to make the argument, as well as look into the cost for visitors relative to the other cheaper destinations.
- o President Trump’s tax cuts has put GovGuam at a loss of over \$100 million in tax revenue. There will be a need for revenue enhancements in order to make up for the loss, the Legislature is still looking into it before they can decide the FY19 budgets.

**VI. REPORT OF THE BOARD COMMITTEES**

**A. EXECUTIVE COMMITTEE**

**JOEY CEPEDA MEMORIAL SERVICE**

Vice Chairman Mesa made a motion, seconded by Director Jackson, to ratify the catering service for the former General Manager Joey Cepeda’s memorial service on May 19, 2018 at the Life in the Son Christian Fellowship. (Cost approximately \$3,175.00, Account # MEM100).

Motion approved

Food	\$2,640.00
Beverages	\$535.00
<b>TOTAL:</b>	<b>\$3,175.00</b>

**Background:** Joey Cepeda served as Deputy General Manager of the Guam Visitors Bureau from 1978-1983 and then the General Manager from 1987 to 1994.

Joey was instrumental in bringing new airlines and new markets to Guam as he oversaw the start of visa waivers for Hong Kong, Taiwan, and Korea.

He continued his service to Guam at the Guam Economic Development Authority but was forced to move to San Diego, CA for medical reasons. Joey continued to perpetuate and promote our island and her culture on the U.S mainland and was instrumental with starting the Chamorro "Chelu" festival in San Diego, the Sakman organization and the House of Chamorro at Balboa Park, San Diego, CA.

*Note: Expenses will be paid out of GVB Membership account and not utilize government funding.*

**Issue:** Board approval required.

- o Director Arriola made it clear GVB needs to be consistent in these matters so no issues are faced in the future for previous general managers, etc.

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**AIR SERVICE DEVELOPMENT MEETINGS**



Vice Chairman Mesa made a motion, seconded by Director Hofmann, to ratify travel for GVB Japan Acting Director Hiroshi Kaneko to Guam from June 4-6, 2018 to participate in air service development meetings with Japan Airlines. Estimated cost \$1,875.00, JA-SMD008.

**Motion approved**

Airfare:	\$1,000 x 1 pax					\$1,000.00
Per Diem:	Guam	Lodging	Nights	M&IE	Days	
	GVB Japan Director	\$250.00	2	\$62.50	2	\$625.00
R/T Airport Transportation (roundtrip)						\$200.00
<b>TOTAL:</b>						<b>\$1,875.00</b>

**Background:** Japan Airlines (JAL) started a second daily flight from Narita International Airport to Guam on March 25, 2018. The second flight is scheduled to operate until end of October 27, 2018. Current sales and operations for this additional air service continues to be evaluated by the Japan Airlines route planning and business development team. GVB continues to aggressively develop air service from Japan and had a follow-up meeting with JAL on April 27, 2018. At this meeting, discussion took place on performance of the daily flights by JAL and opportunities to continue the service to Guam. GVB expressed appreciation and value of the Japan market to Guam and would like to support these development efforts.

Now, JAL top executives from their International Network Planning Division have requested a meeting with GVB and the Guam International Airport Authority in Guam on June 5, 2018. Discussion topics will be a second review of the performance of the JAL flights and opportunity to continue the second daily service.

It is important to gather all the key partners for this meeting in order to clearly present partnership opportunities and identify a strategic approach to a successfully sales and marketing plan for the remainder of the year.

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

**MEETINGS WITH JAPANESE GOVERNMENT OFFICIALS AND AIRLINE PARTNERS**

Vice Chairman Mesa made a motion, seconded by Director Jackson, to ratify travel for Governor Calvo, Yigo Mayor and Chairman of NPO - Espiritu I Taotao-Ta Yan Todos Mr. Rudy Matanane, and JMC Chairman to participate in meetings with the Japanese House of Representatives, other government officials and key airline partners from June 5 – June 13, 2018 in Okinawa, Japan and Tokyo, Japan. Estimated cost: \$13,778.90; Account #: 100-5998-JAOFF-ADM001.

Vice Chairman amended the motion, seconded by Director Jackson, to approve travel for Governor Calvo to Okinawa and Tokyo, Japan from June 27 – July 1, 2018 with the amount up to \$4,000.00.

**Motion approved as stated and amended**

Airfare:	\$1,200 x 3 pax					\$3,600.00
Per Diem:	Okinawa	Lodging	Nights	M&IE	Days	
	Governor Calvo	\$425.10	4	\$154.70	4	\$2,319.20
	Mayor Matanane	\$425.10	4	\$154.70	4	\$2,319.20
	JMC Chairman	\$408.75	4	\$148.75	4	\$2,230.00
	Tokyo	Lodging	Nights	M&IE	Days	
	Governor Calvo	\$358.80	1	\$295.10	2	\$949.00
	Mayor Matanane	\$358.80	1	\$295.10	2	\$949.00
	JMC Chairman	\$345.00	1	\$283.75	2	\$912.50



Miscellaneous expenses (Excess baggage, communication, etc.):	\$500.00
<b>TOTAL:</b>	<b>\$13,778.90</b>

**Background:** Governor Calvo, Mayor Matanane, and GVB have been invited to meet with Mikio Shimoji, a member of the Japanese House of Representatives, in Okinawa to discuss opportunities on how the Japanese Government can support Guam. Mr. Shimoji will also arrange meetings in Tokyo with other Members of Parliament and Ministers at the Japanese Diet (Congress). The Governor will have the chance to advocate for Guam's tourism industry with these high-level Japanese officials, especially in regards to air service development. GVB will also be scheduling important meetings with airline partners and the Governor in Tokyo.

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

- o Director Nault stated the motion was originally approved for Governor Calvo, Mayor Matanane and himself but he will not be attending. The meeting has been postponed and GVB will only cover the cost of travel for Governor Calvo.

**GUAM FOOD FESTIVAL – SEOUL, KOREA**

Vice Chairman Mesa made a motion, seconded by Director Kloppenburg, to ratify travel for (1) Executive Chef and (1) Sous Chefs to participate in the Guam Food Festival in Seoul, Korea on June 12, 2018. Estimated cost is approximately \$4,954.00 from Account #0KO-SMD023

**Motion approved**

Airfare:	\$895.00 x 2 pax					\$1,790.00
Prof. Fee:	\$100.00 x 2 pax x 3 days					\$600.00
Per Diem:	Seoul, Korea	Lodging	Nights	M&IE	Days	
	Executive Chef	\$230.00	3	\$148.00	4	\$1,282.00
	Sous Chef	\$230.00	3	\$148.00	4	\$1,282.00
<b>TOTAL:</b>						<b>\$4,954.00</b>

**Background:** The Guam Visitors Bureau will hold its second annual food festival at the Grand Hyatt in Seoul, Korea on June 12, 2018. The festival will showcase Guam's unique cuisine and culture by presenting local food and showcasing cuisines crafted by a local restaurant and chef. This event provides an opportunity to introduce Guam's culture and cuisine to 200 attending travel trade and media.

This year's highlighted restaurant is Kitchen Lingo, a local restaurant that is committed to quality, sourcing the best local ingredients possible and serving innovative, chef-driven and value focused craft food and drinks in a chic, intimate atmosphere driven by our island hospitality. Kitchen Lingo's cuisine profile will help showcase Guam as an affluent and diverse food-destination. To successfully execute their style of food and presentation, Executive Chef Lingo Quichocho and his sous chef will personally prepare signature Guam dishes in Seoul, Korea. Prior to the festival the team will also be meeting with the Grand Hyatt's Executive Chef and kitchen staff to coordinate logistical operations needed to serve 200 pax.

Chef Lingo Quichocho received his certification in Culinary Arts from National Culinary and Baking School in San Diego, California. He has over 12 years of experience managing several high-profile kitchens from San Diego to Massachusetts and worked as a sous chef under world-renowned Chef Roy Yamaguchi.

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





- o President Denight stated this year they took Chef Lingo and his Sous Chef from Kitchen Lingo and they were well received. Last year they took a chef from Hyatt, next year they will take a different chef to showcase.
- o Director Jackson noted some challenges were faced when no chefs responded to the invitation to join the food festival at their expense. This caused a delay in the next step and consequently was managed poorly due to time constraints. Moving forward the team needs to strategize better ahead of time.

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

- o President Denight said the budget is up with the Legislature now and GVB has made all its arguments for the FY2019 budget request.

**C. RESEARCH**

- o President Denight updated the board on the impact study, the draft was missing some critical information so Tourism Economics went back to include data with tables. Once revised the study will be shared with the board for discussion. Director Shinohara suggested having the discussion during a Research Committee meeting as opposed to calling a special working session.

**D. NORTH AMERICA & PACIFIC MARKETS**

**E. CHINA**

Committee minutes dated May 11, 2018

Exhibit C

Committee minutes dated June 12, 2018

Exhibit D

**WORLD ROUTES 2018 – GUANGZHOU, CHINA**

Director Shinohara made a motion, seconded by Director Jackson, to approve travel for one (1) GVB Board Director or designee, President & CEO or designee, GVB Director of Global Marketing, and the Marketing Manager – China, to participate in World Routes 2018 in Guangzhou, China from September 15-18, 2018. (Cost is approximately \$21,098.00 to come from Acct No. CI-SMD023).

**Motion approved**

Airfare:	\$2,500 x 4 pax					\$10,000.00
Per Diem:	Guangzhou	Lodging	Nights	M&IE	Days	
	Board Director/Designee	\$307.50	5	\$211.25	6	\$2,805.00
	President & CEO/Designee	\$307.50	5	\$211.25	6	\$2,805.00
	Director of Global Marketing	\$246.00	5	\$169.00	6	\$2,244.00
	Marketing Manager	\$246.00	5	\$169.00	6	\$2,244.00
<i>Miscellaneous expenses (Excess baggage, communication, etc.):</i>						\$1,000.00
<b>TOTAL:</b>						<b>\$21,098.00</b>

**Background:** World Routes presents an unrivalled platform for route development professionals to discuss, develop and plan network strategy. Providing unique cost and timesaving benefits,



World Routes is a 'must attend' event and attracts the most senior decision makers from the world's leading aviation organizations.

In 2018, World Routes is expected to attract over 300 airlines, 700 airports and over 3,000 delegates to discuss air service development. The event consists of three elements: (1) business to business pre-scheduled meetings, (2) networking events, and (3) a conference focusing on issues for route development.

GVB will be attending with the A.B. Won Pat International Airport Authority Guam. Together, during this mission, Guam will address the air seat capacity issues for Japan and the developing markets to include China, Taiwan, and Hong Kong.

Issue: Board approval required for travel.

- o Director Shinohara stated the committee has been working hard to put out promotions with companies like Expedia and Beautiful Destinations even through the challenge of reduced seat capacity.

**TAIWAN SALES MISSION**

Director Shinohara made a motion, seconded by Director Jackson, to approve travel for GVB BOD Chairman or designee, the Director of Global Marketing, (1) GVB Marketing Staff, (1) Cultural & Heritage Staff and (6) cultural talent to travel to Taiwan to conduct a Guam Sales Mission in the cities of Taipei and Kaohsiung from August 15-19, 2018. Cost is approximately \$24,347.50 of which \$7,845.50 is to be taken from Taiwan Sales Market Development Account No. TA-SMD019 and \$16,502.00 to be taken from Destination Account No: DM-CPO007.

Motion approved

**Marketing**

Airfare:	\$1,000 x 3 pax					\$3,000.00
Per Diem:	KAOHSIUNG (Aug 15-16)	Lodging	Nights	M&IE	Days	
	BOD Chair or designee	\$146.25	1	\$126.25	2	\$398.75
	Director of Global Marketing	\$117.00	1	\$101.00	2	\$319.00
	GVB Marketing Staff	\$117.00	1	\$101.00	2	\$319.00
	TAIPEI (Aug 16-19)					
	BOD Chair or Designee	\$226.25	3	\$135.00	3	\$1,083.75
	Director of Global Marketing	\$181.00	3	\$108.00	3	\$867.00
	GVB Marketing Staff (1 pax)	\$181.00	3	\$108.00	3	\$867.00
Misc.	Business communication costs & excess baggage fees					\$1,000.00
<b>TOTAL</b>					<b>\$7,845.50</b>	

**Cultural Delegation**

Airfare:	\$1,000 x 7 pax					\$7,000.00
Per Diem:	KAOHSIUNG (Aug 15-16)	Lodging	Nights	M&IE	Days	
	Cultural & Heritage Staff	\$117.00	1	\$101.00	2	\$319.00
	Cultural Performers (6 pax)	\$117.00	1	\$101.00	2	\$1,914.00
	TAIPEI (Aug 16-19)					
	Cultural & Heritage Staff	\$181.00	3	\$108.00	3	\$867.00
	Cultural Performers (6 pax)	\$181.00	3	\$108.00	3	\$5,202.00
Prof. Fee	Musicians (2 pax)	\$100.00 x 3 days				\$ 600.00
	Dancers (4 pax)	\$50.00 x 3 days				\$ 600.00
<b>TOTAL</b>					<b>\$16,502.00</b>	





**Background:** GVB continues to focus its sales and marketing efforts in Taiwan and with third quarter forecast, we will be seeing a rebound in arrival numbers since the pullout of Eva Air. China Airlines as the sole carrier providing direct air service from Taipei, has implemented increased frequency (5x weekly) for a limited time (March 25, 2018 - October 25, 2018). It is crucial for GVB to continue strengthening its efforts in this region and sustain the demand for more seats to Guam to support China Airline's and the added schedule. GVB has also been active in air routes development to secure direct service from Kaohsiung and during this sales mission, the Board Chairman being instrumental in our efforts would meet with key trade officials and showcase our consistency and seriousness to bring our initiative to fruition.

The Taiwan sales mission is designed to enhance the networking and business ties between the Guam tourism industry and the travel trade in both Taipei and Kaohsiung. Through face-to-face meetings planned for both Taipei and Kaohsiung, Guam stakeholders will have the opportunity to meet with Taiwanese travel trade who are currently selling Guam products or have a strong potential to sell Guam products.

In addition to the trade aspect of this 2-city sales mission, GVB will also be participating in courtesy meetings with government tourism officials and key trade officials as well as to participate in interviews with influential media in each city. GVB will also do a consumer promotion during this mission and schedule Guam's cultural entertainers to perform during the Taipei City Music Festival to bring awareness of Guam to the general public.

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

- o Vice Chairman Mesa expressed concern with the drop in numbers for all of Greater China market due to issues with seat capacity. He advises the team needs to actively pursue other airlines during their sales missions and at World Routes 2018. There is demand so the team needs to capture the potential market. China has the numbers and a high spending yield.
- o Chairman Morinaga pointed out the importance in creating and maintaining the relationship with China. If their outbound to Guam is suffering, we might be able to assist in encourage outbound from Guam to China.

**F. RUSSIA & NEW MARKETS**

Committee minutes dated June 12, 2018

Exhibit E

**G. KOREA**

Committee minutes dated May 8, 2018

Exhibit F

- o Director Jackson reported having a successful trip to Korea for the two major travel shows. During the visit, the team made a courtesy call to Jeju Air, who just opened a Kansai to Guam route. He added Korean LCC companies are open and willing to fly anywhere there is opportunity.

**H. JAPAN**

Committee minutes dated May 15, 2018

Exhibit G

- o Director Nault assured the board the team is doing everything they can to increase seat capacity to and from Japan and are constantly meeting with airline companies. As a result, Jeju Air starting service from Kansai to Guam, UA bringing back their Boeing-777, and JAL extending their double daily service through the winter schedule.



**JEJU AIR INAUGURAL FLIGHT FOR GUAM - KANSAI SERVICE**

Director Nault made a motion, seconded by Director Jackson, to approve travel for GVB Board Chairman or designee, one GVB staff, and one Miss Guam to attend the inaugural flight greeting for Jeju Air's Guam - Kansai service in Osaka, Japan on July 21, 2018. Estimated cost: \$6,120.75; Account # 100-5995-JAOff-ADM001.

Motion approved

Airfare:	\$1,200 x 3 pax					\$3,600.00
Per Diem:	Osaka	Lodging	Nights	M&IE	Days	
	Board Chairman	\$356.25	1	\$191.25	2	\$738.75
	GVB Staff	\$285.00	1	\$153.00	2	\$591.00
	Miss Guam	\$285.00	1	\$153.00	2	\$591.00
<i>Professional fee for Miss Guam</i>						\$100.00
<i>Miscellaneous expenses</i>						\$500.00
<b>TOTAL:</b>						<b>\$6,120.75</b>

**Background:** Korea's largest low cost carrier (LCC), Jeju Air, recently announced the inaugural flight service between Japan's Kansai International Airport (KIX) and Guam launching on July 21, 2018. This new service increases air seat capacity out of Japan by 5,700 direct flight seats per month with six round-trip flights per week. The new KIX/GUM route will provide much needed capacity from KIX with a very convenient schedule.

At the request of Jeju Air, GVB will be sending the Board Chairman, one GVB staff, and one Miss Guam to take part in the inaugural flight festivities. The Board Chairman will meet with Jeju Air executives to express our appreciation for their continued support and partnership. He will also deliver brief remarks prior to the departure of the inaugural flight to Guam. Miss Guam will greet passengers with shell leis as they board the aircraft to commemorate this momentous occasion with a touch of the Chamorro culture.

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

Issue: Board approval required for travel.

- o Vice Chairman Mesa commended the team for their work and stated same needs to be done for all of Greater China market to find possible airlines interested in flying to Guam.

**JAPAN MISSION: AIRLINE MEETINGS**

Director Nault made a motion, seconded by Director Kloppenburg, to approve travel for the GVB President & CEO or designee to attend airline meetings in Tokyo, Japan from July 2-4, 2018. Estimated total cost is \$2,741.25; Account # JA-SMD008.

Motion approved

Airfare:	\$1,000 x 1 pax					\$1,000.00
Per Diem:	Tokyo	Lodging	Nights	M&IE	Days	
	GVB President & CEO	\$345.00	2	283.75	3	\$1,541.25
<i>Miscellaneous:</i>	<i>Business meetings and communications expense</i>					\$200.00
<b>TOTAL:</b>						<b>\$2,741.25</b>

**Background:** GVB continues to aggressively meet and work with airlines to that can potentially start direct air service from Japan. For this mission, GVB will be attending two important



meetings: (1) SkyMark and (2) JetStar along with the A.B. Won Pat Guam International Airport Authority. The overall mission is to present the updated business case for these partners to start service to Guam. Each meeting will have participants with corporate strategy / advisory level executives. The team ensures meetings are arranged with key decision makers for business in the Asia Pacific / America market.

Meeting participants include Mr. Tetsuya Okuno, Corporate Strategy Section, Corporate Planning Department, SkyMark and Mr. Nicolas Rorhach, Chief Executive Advisor, JetStar. Both GIAA and GVB have met with these airlines over the past several years. During these meetings, there will be continued joint efforts by GIAA and GVB to incentivize them to start business to Guam.

Issue: Board approval required for travel.

- o President Denight with GIAA will meet with two potential airlines executives at SkyMark and JetStar. He pointed out Saipan had announced their potential partnership with SkyMark to charter flights. They will discuss the possibility of starting business with Guam.

**I. DESTINATION MANAGEMENT**

- o Vice Chairman Mesa brought up the bus shelter proposals that was present during the last board meeting and agrees the bus companies should assist with its maintenance and costs. Costs should be inclusive for insurance but other funding source might be needed.
- o Director Jackson reminded the board on the agreement to no ads on the bus shelters. Therefore, shelters with ads from the company that built them need to be removed.
- o Vice Chairman Mesa updated the board on the flood mitigation project, some of the properties are privately owned so the team is working with the consultants to reach out to the owners and work out the issue. Some of these properties do not have the proper outlets to catch and expel the excess water causing the overflows in Tumon.
- o Chairman Morinaga asked for the progress on the road resurfacing by Sheraton, President Denight reported that DPW needs to provide the estimated cost in writing in order to move forward and get approval from the board.

**J. MEMBERSHIP & COMMUNITY OUTREACH**

**RESOLUTION NO. 2018-003**

Director Kloppenburg made a motion on the floor, seconded by Director Jackson, to approve GVB Board Resolution No. 2018-003 relative to commending Mr. Roy Abraham as General Manager of the Pacific Star Resort & Spa in Guam, USA, in recognition of his upcoming retirement; and to expressing Un Dângkolo na Si Yu'os Ma'åse' for his critical contributions on Guam and to its visitor industry; and to wish him all the best in his future endeavors, on behalf of the People of Guam.

**Motion approved**

- o Roy Abraham made a great effort to participate and make contributions to Guam and he will be missed.

**K. VISITOR SAFETY & SATISFACTION**

- o Director Hong commended LMS for a job well done on keeping the Tumon beaches clean. As well as the VSOs on the homeless issue along the beach and abandoned buildings.
- o Yona will be hosting their first village festival on Friday, June 29, 2018 at 6:30 - 10:00pm through Sunday, July 1, 2018 from 1:00 - 10:00pm.



L. CULTURAL & HERITAGE

- o Gupot CHamoru – War Survivor Remembrance Day: CHamoru Singers & Local Performers Live on Stage, Thursday, June 28, 2018 at 5:00pm, Sheraton Laguana Guam, Director Arriola shared with the board four tickets were available for anyone interested in attending.

M. SPORTS & EVENTS

VII. OLD BUSINESS

VIII. NEW BUSINESS

- o The Guam Daily Post reached out to GVB to start a monthly column, the recommendation is to have each committee take a column every month to give a short report on the latest committee has been doing. First column will start with Chairman Morinaga around the second Tuesday of July.

IX. EXECUTIVE SESSION

X. ANNOUNCEMENTS

- o United States Department of Commerce – Deputy Assistant Secretary (DAS) for Asia Guam visit, Thursday, July 26, 2018 Board of Directors to meet with DAS before the board meeting
- o Bill Gibson Memorial Service on Sunday, July 1, 2018 at 10:00am – 2:00pm, Fiesta Hotel
- o VIP Fam Tour – Japan
  - o Welcome Reception on Monday, July 9, 2018 at 7:00pm, Guam Museum
  - o Golf experience on Tuesday, July 10, 2018 at Leo Palace Guam Resort

Upcoming Board Meetings:

- o Thursday, July 12, 2018 at 3:30pm, GVB Main Conference Room
- o Thursday, July 26, 2018 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 5:03pm.

Motion unanimously approved

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

Board Minutes respectively submitted by Maura Yi, Executive Secretary

