



BOARD OF DIRECTORS REGULAR MEETING
Thursday, August 23, 2018 – 3:30pm
Guam Visitors Bureau – Main Conference Room

BOARD OF DIRECTORS PRESENT:

- | | |
|--------------------------------|--------------------------|
| Director Milton Morinaga | Director Monte Mesa |
| Director Eduardo “Champ” Calvo | Director Theresa Arriola |
| Director Brad Kloppenburg | Director Young Hong |
| Director William Nault | Director Bartley Jackson |
| Director Robert Hofmann | |
- A quorum was met*

BOARD OF DIRECTORS TELEPHONICALLY:

BOARD OF DIRECTORS ABSENT:

- | | |
|---------------------------|------------------------|
| Director Samuel Shinohara | Director Katarina Sgro |
| Director Tatsuo Takano | Director Satoru Murata |

GVB MANAGEMENT & STAFF PRESENT:

- | | | |
|--------------------|-------------------|----------------------|
| Jon Nathan Denight | Antonio Muna Jr. | Maura Yi |
| Rose Cunliffe | Ana Cid | Colleen Cabedo |
| Nakisha Garrido | June Sugawara | Doris Ada |
| Josh Tyquiengco | Elaine Pangelinan | Nadine Leon Guerrero |
| Kraig Camacho | Mark Manglona | Breeana Garrido |
| Nicole Benavente | | |

GVB MANAGEMENT & STAFF TELEPHONICALLY:

GUESTS:

I. CALL TO ORDER

Chairman Morinaga called the meeting of the board to order at 3:46 pm.

II. MINUTES OF THE PREVIOUS MEETING

Exhibit A

Director Hofmann made a motion, seconded by Director Jackson, to approve the minutes of the previous board of directors meeting dated August 9, 2018.
Motion unanimously approved (Subject to minor revisions)

- o Vice Chairman Mesa stated the minutes should indicate after the executive session ended, the board of directors resumed its regular board meeting. Changes were made accordingly.

III. CHAIRMAN’S REPORT

- o Chairman Morinaga reported on his recent trip to Taiwan having a favorable visit with the official counsel delegates, China Airlines and AIT. The Taiwan market is eager to come to Guam and have discussed the prospect of flying a Kaohsiung to Guam route and is also identifying efficient alternative modes of transit into Taipei from neighboring cities to catch a flight to Guam. Chairman Morinaga suggests encouraging outbound travel to Taiwan as much as we promote inbound, to foster cultural and business exchanges.



IV. PRESIDENT & CEO'S REPORT



August 2018  **Calendar Year to Date 2018** 

August 1-21, 2018 **Total: 98,084 (-2.5%)**

| % Market Mix | Origin | 2017 | 2018 | % to LY |
|--------------|-------------|--------|--------|---------|
| 43.6% | Japan | 49,288 | 42,763 | -13.2% |
| 44.0% | Korea | 40,602 | 43,146 | 6.3% |
| 1.8% | Taiwan | 1,590 | 1,728 | 8.7% |
| 1.0% | China | 1,350 | 957 | -29.1% |
| 4.9% | US/Hawaii | 3,800 | 4,775 | 25.7% |
| 0.4% | Hong Kong | 434 | 422 | -2.8% |
| 0.8% | Philippines | 653 | 825 | 26.3% |
| 0.1% | Russia | 91 | 88 | -3.3% |

January - August 21, 2018 **Total: 982,856 (-2.5%)**

| % Market Mix | Origin | 2017 | 2018 | % to LY |
|--------------|-------------|---------|---------|---------|
| 34.9% | Japan | 429,821 | 343,355 | -20.1% |
| 49.3% | Korea | 420,737 | 484,371 | 15.1% |
| 1.9% | Taiwan | 23,494 | 18,783 | -20.1% |
| 1.2% | China | 16,071 | 11,629 | -27.6% |
| 5.9% | US/Hawaii | 51,109 | 58,431 | 14.3% |
| 0.4% | Hong Kong | 11,887 | 3,925 | -67.0% |
| 1.1% | Philippines | 10,733 | 10,831 | 0.9% |
| 0.3% | Russia | 2,054 | 2,700 | 31.5% |

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

Note: August 2018 Daily Arrivals reflect Chalan Air arrivals at

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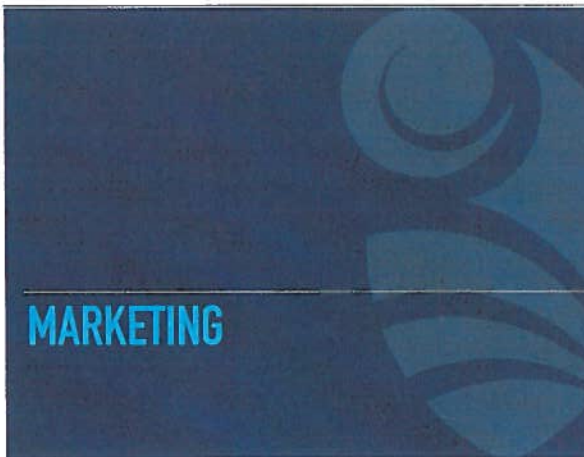
Fiscal Year to Date 2018 

October 2017 - August 21, 2018 **Total: 1,358,367 (-2.9%)**

| % Market Mix | Origin | 2017 | 2018 | % to LY |
|--------------|-------------|---------|---------|---------|
| 34.7% | Japan | 611,410 | 471,148 | -22.9% |
| 49.4% | Korea | 572,739 | 671,388 | 17.2% |
| 1.8% | Taiwan | 33,215 | 24,739 | -25.5% |
| 1.2% | China | 21,458 | 15,694 | -26.9% |
| 5.7% | US/Hawaii | 69,015 | 77,099 | 11.7% |
| 0.4% | Hong Kong | 15,385 | 5,985 | -61.1% |
| 1.3% | Philippines | 17,755 | 17,164 | -3.3% |
| 0.3% | Russia | 3,001 | 3,848 | 28.2% |

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

Note: August 2018 Daily Arrivals reflect Chalan Air arrivals at



Japan Marketing News



SPORTEC 2018

- Dates: July 25 - 27, 2018
- Venue: Tokyo Big Sight, Japan
- Attendees: 51,005 pax
- Sports Tourism B2B Event



Japan Marketing News



JATA Tourism Expo Japan 2018

- Dates: September 20 - 23, 2018
- Venue: Tokyo Big Sight, Japan
- JATA TEJ 2017 welcomed 191,577 attendees
- GVB Booth: Café concept with complimentary cookies and Spike Coffee, photo opportunities with Miss Guam and Gumamon, live entertainment by Tradewinds, appearance by San Ai Swimwear, GCDA performance, and more



China Marketing News



3 Month Airlift Forecast

| Month | Forecast Pax | Last Year | %Change | Seat Forecast '17 | Seat Data '16 | % Change Seats |
|-----------|--------------|-----------|---------|-------------------|---------------|----------------|
| September | 900 | 1285 | -29.9% | 3164 | 3726 | -28% |
| October | 1200 | 1394 | -13.9% | 3164 | 3726 | -28% |
| November | 950 | 1057 | 10.1% | 3164 | 3726 | -28% |

| September | October | November |
|------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|
| Shanghai UA : 8 flights this month=944 (B737-700) | Shanghai UA : 9 flights this month=1062 (B737-700) | Shanghai UA : 9 flights this month=1062 (B737-700) |
| Nationwide KE, estimated 2000 seats per month for China market (A330-300) | Nationwide KE, estimated 2000 seats per month for China market (A330-300) | Nationwide KE, estimated 2000 seats per month for China market (A330-300) |
| Hong Kong UA4 flights per week, estimated 664 seats per month for China market (A737-80) | Hong Kong UA4 flights per week, estimated 664 seats per month for China market (A737-80) | Hong Kong UA4 flights per week, estimated 664 seats per month for China market (A737-80) |

China Marketing News



"Digital battle" with Mauritius over celebrity Mr. Yilong Zhu

Mr Yilong Zhu goes viral recently because of 1 TV series in China. In a video interview he said he likes beautiful beaches and wants to go to Mauritius one day

GVB China Weibo account quickly catches this and invited him on social media to come to Guam where we have a lot of breathtaking beaches.

Though the celebrity did not respond himself, both accounts received rocketing views and comments where fans all followed on and interacted.

Many followers expressed the interest in Guam in all the comments.



China Marketing News



Guam Theme Ctrip Branch Stores (TBC)

- Duration: 1 year
- GVB Guangzhou inspected the branch stores provided by Ctrip and found one is suitable for Guam theme Decoration



GUAM VISITORS BUREAU CHINA AIR SERVICE INCENTIVE PROGRAM

| Flights | Year 1 | Year 2 | Maximum Incentive |
|----------------------------|-------------|-----------|-------------------|
| 104 (2 x Weekly) | \$200,000 | \$100,000 | \$300,000 |
| 156 - 208 (3 - 4 x weekly) | \$500,000 | \$250,000 | \$750,000 |
| 260-365 (5-7 x weekly) | \$1,000,000 | \$500,000 | \$1,500,000 |

China Marketing News

China Air service incentive program

- Incentive Funds**
 - Dedicated fund to work with airline and agents to promote and provide incentives to fill the flight separate from marketing budget
- China budget**
 - Additional support from existing marketing budget for
 - Inaugural Ceremony: Guam and China
 - Training of TA on air service
 - Travel cost for China VIPs for inaugural flight
 - Assist with Gov. Guam agencies/others to begin service
- GIAA Enplanement Rebates to be Included in final package but...**
 - As per ASM: each airline offer would have to be computed individually
 - Depends upon craft, seats, etc.
 - Ex. A320 craft: ATH 209, MTOW 172, Seats 158. Maximum Rebate for anyone \$245,563

Taiwan Marketing News

3 Month Forecast

| Month | Forecast Pax | Last Year | %Change | Seat Forecast '18 | Seat Data '17 | % Change Seats |
|-----------|--------------|-----------|---------|-------------------|---------------|----------------|
| August | 2,558 | 2,093 | 5.88% | 3,410 | 2,300 | 48.3% |
| September | 2,387 | 1,953 | 22.22% | 3,410 | 2,345 | 45.4% |
| October | 2,046 | 2,093 | -2.25% | 3,410 | 1,901 | 79.4% |

| Flights | September Taipei | October Taipei | |
|---------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| August Taipei | China Airlines: 5 per week = 3,410 (B737-800,738) 22 flights * 155 seats = 3,410 | China Airlines: 5 per week = 3,410 (B737-800,738) 22 flights * 155 seats = 3,410 | China Airlines: 5 per week = 3,410 (B737-800,738) 22 flights * 155 seats = 3,410 |
| Total | 3,410 | 3,410 | |

Taiwan Marketing News

MICE Group

| Group | Date | Number of People |
|-------------------------------------------|------------|--------------------------------------|
| Biomedical Company | Jan 5 | 36 |
| Construction Company | Jan 20 | 40 |
| ShengYang Internet | Jan 31 | 114 |
| AIA | Feb 10-15 | 110 |
| Biomedical Company | Feb 20 | 40 |
| News Image Asia | Mar 9 & 10 | 220 |
| Luck Cat Micro-enterprise System Co. Ltd. | Mar 27 | 110 |
| JihSun Holdings | May | 26 |
| ISEAS | Aug 7 | 150 |
| Michelin Taiwan | Sep 12 | 104 |
| (TBC) Real Estate Company | September | 75 |
| Total PAX | | 950 (Does not include TBC) |

Taiwan Marketing News

InstaGum Sales Mission | August 16-17, 2018

- Further promote Guam in Southern Taiwan and continue to discuss direct flights to Guam from Kaohsiung
- Strongly establish Guam's brand awareness and interact with consumers in Kaohsiung, Tainan, and Taipei
- TV interviews in both Kaohsiung and Tainan which were broadcasted in Taiwan
- Maintain relationships with TATA and PATA through dinner meeting
- Held trade events in both Kaohsiung and Taipei (MICE oriented)
- Courtesy visits for Guam market development
 - Kaohsiung City Government (Secretary General, Tourism Bureau)
 - Kaohsiung Association of Travel Agents
 - Tainan City Government
 - American Institute in Taiwan
 - High-yield associations including Lions Club and Rotary Club



Taiwan Marketing News

TripAdvisor Online Promotion

- Event landing page and banners are launched on 8/1 with announcement through news release



Taiwan Marketing News



TripAdvisor Online Promotion

- Co-op with Avis Taiwan and China Airlines on special offering for TripAdvisor program



Taiwan Marketing News



Golf Promotion

- PLI's golf tour will be on 9/4-8
 - The tour aims to promote Guam's golf package and generate positive reputation among golfers in Greater China area
 - 80 golfers have already registered
 - Will invite professional golf media to join golf tour
 - GVB to provide greeting service and welcome reception on 9/5



Taiwan Marketing News



Color Me Guam Online Promotion

- Officially Launched on 7/1 and 89 participants had joined the campaign
- Participants who submit their Color Me Guam artwork can join the weekly contest for winning Color Me Guam notebook, and monthly lucky draw for TPE-GUM flight ticket
- www.colormeguam.visitguam.com



Taiwan Marketing News



Sales Market Development

2018 ITF

- 2018 ITF will take place at Taipei Nangang Exhibition Center on 11/23-11/26
- Had already booked 4 booths and will join USA Pavilion



Hong Kong Marketing News



3 Month Visitor Forecast

| Month | Forecast Pax | Last Year | %Change | Seat Forecast '18 | Seat Data '17 | %Change Seats |
|-------|--------------|-----------|---------|-------------------|---------------|---------------|
| Aug | 771 | 735 | +5% | 2822 | 2822 | 0% |
| Sep | 403 | 366 | +10% | 2822 | 2822 | 0% |
| Oct | 672 | 611 | +10% | 2822 | 2822 | 0% |

| Air Capacity HKG - GUM | | | | | |
|------------------------|---------------------------|----------|---------------------------|----------|---------------------------|
| Feb | | Mar | | Apr | |
| Airline | United | Airline | United | Airline | United |
| Aircraft | Boeing 737-800 | Aircraft | Boeing 737-800 | Aircraft | Boeing 737-800 |
| Seats | 2822 (4 flights per week) | Seats | 2822 (4 flights per week) | Seats | 2822 (4 flights per week) |



V. TREASURER'S REPORT

- o President Denight informed the board that Friday is the last day for Governor Calvo will sign or veto the budget bill, if no action is taken it lapses into law.

VI. REPORT OF THE BOARD COMMITTEES



A. EXECUTIVE COMMITTEE

B. ADMINISTRATION & GOV'T RELATIONS

- o Chairman Morinaga notified the board Congresswoman Bordallo introduced H.R. 6480 which will alleviate the H-2B visa issue by allowing the Governor more control over the labor determination process.

C. RESEARCH

D. DESTINATION MANAGEMENT

E. SPORTS & EVENTS

- o Director Nault shared with the board, GVB will support a friendly rubber baseball tournament between Guam and Japan under 10 teams for September.
- o Guam Ko'Ko' Road Races will not take place this year, it will be postponed for 2019. But there will be a Ko'Ko' Kids Race in March 2019.

F. MEMBERSHIP & COMMUNITY OUTREACH

- o Director Kloppenburg informed the board the next membership meeting will be scheduled for Friday, September 14, 2018 and will host the two gubernatorial candidates for an open discussion with membership, more details will be forthcoming.
- o Membership renewal notices have been sent out and the deadline for dues will be October 10, 2018. Membership elections will be held January 8, 2019, details will be forthcoming.

G. VISITOR SAFETY & SATISFACTION

- o Director Hong along with the VSS and destination management team will be going on an island wide inspection of public parks next week.

H. CULTURAL & HERITAGE

I. NORTH AMERICA & PACIFIC MARKETS

- o Director Hofmann reported PATA's Micronesia Chapter second tri-annual meeting took place on August 8-10, 2018 in Chuuk with 20 regional members in attendance. Up-coming events will be MATTA Travel Fair on September 5-10 in Malaysia immediately followed by PATA Travel Mart September 11-15 and PIFA on September 21-23 in San Diego, California.
- o MATTA will be the first event for Guam in Malaysia, they are a potential market as they are a visa waiver country.
- o President Denight informed the board GVB is working with a US wholesaler, IWorld Travel, to sell Guam-Japan combined travel packages, teaming up with H.I.S. They are also looking into creating travel packages targeting LGBTQ community.

J. GREATER CHINA

Committee minutes dated August 10, 2018

Exhibit B



GVB RFP 2018-001

Vice Chairman Mesa made a motion, seconded by Director Jackson, to authorize the President and Chief Executive Officer as Chief Procurement Officer of GVB to enter into negotiations with the highest-ranking qualified Offeror in response to GVB RFP 2018-001 Tourism Destination Marketing Representation Services in Hong Kong, and if successful, to enter into a contract.

Motion unanimously approved

Background: On August 16, 2017, GVB issued RFP 2017-013 Tourism Destination Marketing Representation Services in Hong Kong; however, that solicitation was cancelled on February 20, 2018 to allow for GVB to revisit and edit the Scope of Services to better reflect the needs of the bureau. The current contractor remains on a month-to-month agreement until a new contractor is secured.

The solicitation period for this RFP was July 9 – July 31.

This contract shall commence October 1, 2018 through September 30, 2019, along with two one-year options to renew (FY2020 and FY2021); and is subject to fiscal year-end performance reviews, availability and certification of funds from fiscal year to fiscal year.

Issue: Board approval required.

GVB RFP 2018-002

Vice Chairman Mesa made a motion, seconded by Director Jackson, to authorize the President and Chief Executive Officer as Chief Procurement Officer of GVB to enter into negotiations with the highest-ranking qualified Offeror in response to GVB RFP 2018-002 Tourism Destination Marketing Representation Services in Taiwan, and if successful, to enter into a contract.

Motion unanimously approved

Background: The solicitation period for this RFP was July 9 – July 31, which included an evaluation of all Offers and a presentation exercise by the top 3 rated Offerors on August 21 and 22.

This contract shall commence October 1, 2018 through September 30, 2019, along with two one-year options to renew (FY2020 and FY2021); and is subject to fiscal year-end performance reviews, availability and certification of funds from fiscal year to fiscal year.

Issue: Board approval required.

K. RUSSIA & NEW MARKETS

Committee minutes dated August 7, 2018

Exhibit C

L. KOREA

- o Director Jackson stated a delegation will be leaving to Korea for the Mode Tour Travel Show at COEX in Seoul, South Korea. Followed by a road show through Busan, Daegu and Gwangju in October.

M. JAPAN

Committee minutes dated August 14, 2018

Exhibit D



- o Director Nault shared the travel schedule for the Japan market to attend the Niigata Friendship Association reception, JTB 50th anniversary reception, and JATA for the month of September.
- o Invasive algae cleanup will take place on the August 25, 2018 all throughout the beaches of Tumon.
- o Treasure Hunt has been successful only 2 out of 10 gold prizes left to claim. A photo wall is displayed at T-Galleria and the campaign will run until October 7, 2018.
- o Summer charter load factors have been doing well, there are some seats still available for September. T'way is working on a charter from Osaka starting October 23 to December 16, 2018. Ken Corporation charter is being finalized for September to run for a period of one year. November will indicate the highest seat capacity for the Japan market since last year.
- o KPOP concert will be announced as soon as the contract is finalized, it is still being reviewed with legal. Once finalized, the concert is scheduled for the end of November with performances by 5 Korean pop groups and will be televised on Korean national TV, MBC, for 90 minutes with an exposure to 10 million viewership.

VII. OLD BUSINESS

VIII. NEW BUSINESS

IX. EXECUTIVE SESSION

X. ANNOUNCEMENTS

Upcoming Board Meetings:

- o Thursday, September 13, 2018 at 3:30pm, GVB Main Conference Room
- o Thursday, September 27, 2018 at 3:30pm, GVB Main Conference Room

XI. ADJOURNMENT

Director Hofmann made a motion, seconded by Director Kloppenburg, to adjourn the meeting. Meeting adjourned at 4:41 pm.
Motion unanimously approved

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

Board Minutes respectively submitted by Maura Yi, Executive Secretary