BOARD OF DIRECTORS REGULAR MEETING
Thursday, September 13, 2018 - 3:30pm
Guam Visitors Bureau - Main Conference Room

BOARD OF DIRECTORS PRESENT:
Director Milton Morinaga
Director Samuel Shimohara
Director Brad Kloppenburg
Director Robert Hofmann
A quorum was met

Director Monte Mesa
Director Theresa Arriola
Director Bartley Jackson
Director Katarina Sgro

BOARD OF DIRECTORS TELEPHONICALLY:

BOARD OF DIRECTORS ABSENT:
Director Eduardo "Champ" Calvo
Director Tatsuo Takano
Director Young Sook Hong

Director William Nault
Director Satoru Murata

GVB MANAGEMENT & STAFF PRESENT:
Antonio Muna Jr.
Josh Tyquingco
Brian Borja
Kraig Camacho
Nicole Benavente

Maura Yi
Doris Ada
Elaine Pangelinan
Frances Aguon
Sydney Leon Guerrero

Lisa Linek
June Sugawara
Karida Brennan
Dee Hernandez
Breeana Garrido

GVB MANAGEMENT & STAFF TELEPHONICALLY:

GUESTS:
Aurelia "Ore" Castro David, Thai Airways

I. CALL TO ORDER
Chairman Morinaga called the meeting of the board to order at 4:11 pm.

II. MINUTES OF THE PREVIOUS MEETING
Vice Chairman Mesa made a motion, seconded by Director Jackson, to approve the minutes of the previous board of directors meeting dated August 23, 2018. Motion unanimously approved (Subject to minor revisions)

III. CHAIRMAN'S REPORT
Chairman Morinaga thanked all those who were involved from the preparation to recovery efforts for Typhoon Mangkhut. He would like to take this time to revisit the disaster protocol so the Bureau may be better prepared and equipped for the future. GVE, GIAA and the local consolate offices need to work closer together to prevent and mediate any issues and miscommunications.

IV. PRESIDENT & CEO'S REPORT
In President Denight's absence, Vice President Muna gave the President & CEO's Report.
### August 2018

**August 1-31, 2018**

<table>
<thead>
<tr>
<th>% Market Mix</th>
<th>Origin</th>
<th>2017</th>
<th>2018</th>
<th>% to LY</th>
</tr>
</thead>
<tbody>
<tr>
<td>42.7%</td>
<td>Japan</td>
<td>63,010</td>
<td>60,871</td>
<td>-3.5%</td>
</tr>
<tr>
<td>45.1%</td>
<td>Korea</td>
<td>58,383</td>
<td>64,427</td>
<td>10.4%</td>
</tr>
<tr>
<td>1.7%</td>
<td>Taiwan</td>
<td>2,300</td>
<td>2,476</td>
<td>7.7%</td>
</tr>
<tr>
<td>0.9%</td>
<td>China</td>
<td>1,775</td>
<td>1,206</td>
<td>-26.3%</td>
</tr>
<tr>
<td>4.7%</td>
<td>US/Hawaii</td>
<td>5,310</td>
<td>6,703</td>
<td>25.2%</td>
</tr>
<tr>
<td>0.4%</td>
<td>Hong Kong</td>
<td>73</td>
<td>585</td>
<td>-20.4%</td>
</tr>
<tr>
<td>1.0%</td>
<td>Philippines</td>
<td>1,381</td>
<td>1,488</td>
<td>7.5%</td>
</tr>
<tr>
<td>0.1%</td>
<td>Russia</td>
<td>17</td>
<td>126</td>
<td>600%</td>
</tr>
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</table>

**Total: 142,701 (0.5%)**

### Calendar Year to Date

**January - August 31, 2018**

<table>
<thead>
<tr>
<th>% Market Mix</th>
<th>Origin</th>
<th>2017</th>
<th>2018</th>
<th>% to LY</th>
</tr>
</thead>
<tbody>
<tr>
<td>33.2%</td>
<td>Japan</td>
<td>648,634</td>
<td>361,563</td>
<td>-45.4%</td>
</tr>
<tr>
<td>49.3%</td>
<td>Korea</td>
<td>458,518</td>
<td>505,652</td>
<td>9.9%</td>
</tr>
<tr>
<td>1.8%</td>
<td>Taiwan</td>
<td>24,204</td>
<td>19,621</td>
<td>-18.3%</td>
</tr>
<tr>
<td>1.2%</td>
<td>China</td>
<td>16,484</td>
<td>11,978</td>
<td>-27.1%</td>
</tr>
<tr>
<td>5.9%</td>
<td>US/Hawaii</td>
<td>62,619</td>
<td>60,350</td>
<td>14.2%</td>
</tr>
<tr>
<td>0.4%</td>
<td>Hong Kong</td>
<td>12,188</td>
<td>4,088</td>
<td>-66.5%</td>
</tr>
<tr>
<td>1.1%</td>
<td>Philippines</td>
<td>11,391</td>
<td>11,494</td>
<td>0.9%</td>
</tr>
<tr>
<td>0.3%</td>
<td>Russia</td>
<td>2,080</td>
<td>2,738</td>
<td>32.3%</td>
</tr>
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</table>

**Total: 1,027,473 (-2.1%)**

### Fiscal Year to Date

**October 2017 – August 31, 2018**

<table>
<thead>
<tr>
<th>% Market Mix</th>
<th>Origin</th>
<th>2017</th>
<th>2018</th>
<th>% to LY</th>
</tr>
</thead>
<tbody>
<tr>
<td>34.9%</td>
<td>Japan</td>
<td>650,223</td>
<td>449,356</td>
<td>-29.5%</td>
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<tr>
<td>49.4%</td>
<td>Korea</td>
<td>590,520</td>
<td>692,669</td>
<td>17.3%</td>
</tr>
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<td>1.8%</td>
<td>Taiwan</td>
<td>33,925</td>
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<tr>
<td>1.1%</td>
<td>China</td>
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<td>16,043</td>
<td>-26.7%</td>
</tr>
<tr>
<td>5.6%</td>
<td>US/Hawaii</td>
<td>70,525</td>
<td>79,027</td>
<td>11.3%</td>
</tr>
<tr>
<td>0.4%</td>
<td>Hong Kong</td>
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<td>6,148</td>
<td>-60.8%</td>
</tr>
<tr>
<td>1.3%</td>
<td>Philippines</td>
<td>18,413</td>
<td>17,827</td>
<td>-3.2%</td>
</tr>
<tr>
<td>0.3%</td>
<td>Russia</td>
<td>3,027</td>
<td>3,884</td>
<td>28.3%</td>
</tr>
</tbody>
</table>

**Total: 1,402,984 (-2.6%)**
Japan Marketing News

Courtesy Visit: Ryukoku University
- August 31
- 15 university students
- GVB presentation: Relationship between Guam and Japan, Guam history and culture, and Guam tourism

Japan Marketing News

Niligata Friendship Association 15th Anniversary
- Reception: September 5 in Nigata, Japan
- Participants: Mayor of Nigata City, Chairman of Nigata Chamber of Commerce, and Nigata Friendship Association members
- GVB represented by Chairman Morinaga and JHMC Vice Chairman Murata
- GVB delegation also met with H.R. Mitsushu Watanabe, Nigata Regional Office Branch Manager, Korean Air on September 5

Japan Marketing News

Courtesy Visit: Kashiwa Chamber of Commerce and Industry Young Entrepreneurs Group (YEG)
- September 12
- Agenda: Kashiwa YEG 40th Anniversary Overseas Exchange Project on Guam, November 16-21, 2018

Japan Marketing News

JATA Tourism Expo Japan 2018
- September 20 – 23, 2018
- Venue: Tokyo Big Sight, Japan
- GVB Booth: Café concept with complimentary cookies and Spike Coffee, photo opportunities with Miss Guam and Guam Air, live entertainment by Tradewinds, appearance by San AI Swimwear, GCDJA performance, and more

Japan Marketing News

Courtesy Visit: Kita Nagoya City
- September 12
- Agenda: Guam English Study Tour on Guam, March 2019

“Golf Island Guam” Campaign
- Period: September 1, 2018 – March 31, 2019
- Objective: Promote golf on Guam throughout the year, especially during the winter season in Japan
- Targets: Senior golfers, young women
- In collaboration with Golf 5, the biggest golf gear retailer in Japan, Guam golf will be promoted through pamphlets, in-store posters, and websites
- Participating travel agencies will sell Guam golf tour packages for local golf courses

Korea Marketing News

2018 Mode Tour Travel Mart
- Period: August 30 – September 2, 2018
**Korea Marketing News**

**2018 Mode Tour Travel Mart**
- **Period:** August 23 - September 02, 2018
- **Venue:** CGO5, Seoul
- **Exhibitors:** Total 37 - Bayview & Oceanview Hotel Guam, Days Hotel Guam Resort, Guam Plaza Resort & Spa, Hotel Guahan Guam, Hotel Guahan Guam, Hyatt Regency Guam, Little Hotel Guam, Dusit Beach Resort, Outrigger Guam Beach Resort, Rici Hotel, Resort Breakwater, Sheraton Laguna Guam Resort, The Westin Resort Guam.

**Result**
- No. of Visitors: 110,700 (50% increase vs. 2017)
- On site Sales: 2,158 Guam tour products sold (44% increase vs. 2017)

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**Taiwan Marketing News**

**2018 Taiwan Modern Tourism Forum**

GVB Vice President Antonio Muha Jr. was invited to join the 2018 Taiwan Modern Tourism to give a presentation on Tourism Value made through the Festival of Pacific Arts and joined in a panel discussion.

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**Taiwan Marketing News**

**Golf Promotion**

- 73 PLI Golf Association members participated in the tour
- 3 professional golf media had participated in the tour
c
- Chairman Morinao, Mr. Felix P. Camacho, Ms. Joann G. Camacho, Mr. Bill Nauj, and Mr. Young-SookHong from GVB board, Mr. Bruce Chen from CI Guam had joined the welcome reception

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**Hong Kong Marketing News**

**Updates of Flight Schedule**
- **Promotion Period:** 1st Nov 2018 to 28th Mar 2019
- **Details:** On mid-August, United Airlines announced that the frequency of Hong Kong to Guam will increase from 4 direct flights to 6 direct flights weekly. It would stimulate the number of visitors in from Hong Kong and even Southern China, especially X'mas period and Chinese New Year.

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**Hong Kong Marketing News**

**Fly to Guam Campaign**
- **Promotion Period:** 25th Aug to 30th Sep
- **Mechanism:** GVB in cooperation with United Airlines, Guam Holidays, Hong Thai Travel, Travel Expert, United Vacations & Wing On Travel rolled out a sales campaign called "FLY TO GUAM." Between 1st and 30th Sep 2018, a complimentary 4-days sim card (valued US$20 for unlimited mobile data and voice calls) would be given for each adult traveller upon any purchase of Guam Travel products while stock lasts.
- GVB featuring promotion on Facebook AD, web banner, leaflets, outdoor consumer event with free ice cream distribution and etc.
V. TREASURER'S REPORT

FY2019 BUDGET ALLOCATION

Director Shinohara made a motion, seconded by Vice Chairman Mesa, to approve FY2019 budget allocation.
Motion unanimously approved

Issue: Board approval required.

- Director Shinohara shared with the board, management’s suggestions on budget allocations for FY2019. Management is able to reconcile the cash accounts with under spent money from budgets of previous years to supplement the shortage in the requested budget from the approved legislature budget. As a result, management established an airline development fund of $3 million, which can be utilized by all the markets. With the board’s approval and some discretion from management, markets may request to shift money from the Rainy-Day Fund or from other markets.

VI. REPORT OF THE BOARD COMMITTEES

A. EXECUTIVE COMMITTEE
RAKUTEN JAPAN OPEN TENNIS CHAMPIONSHIPS

Vice Chairman Mesa made a motion, seconded by Director Jackson, to ratify travel for four (4) GVB delegates to travel to Tokyo, Japan to attend the GVB Sponsored 2018 Rakuten Japan Open Tennis Championships. Event dates: September 29 - October 8, 2018. Estimated total cost is $17,329.50; $5,527.00 from account # ESP001 and $11,802.50 from account # GAMAL001. Motion unanimously approved

<table>
<thead>
<tr>
<th>Airfare:</th>
<th>$1,000 x 4 pax</th>
<th>Lodging</th>
<th>Nights</th>
<th>M&amp;E</th>
<th>Days</th>
<th>$4,000.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per Diem:</td>
<td></td>
<td>Tokyo</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>JMC Chair/Desigee</td>
<td>$345.00</td>
<td>5</td>
<td>$283.75</td>
<td>5</td>
<td>$3,143.75</td>
</tr>
<tr>
<td></td>
<td>President &amp; CEO</td>
<td>$345.00</td>
<td>5</td>
<td>$283.75</td>
<td>5</td>
<td>$3,143.75</td>
</tr>
<tr>
<td></td>
<td>Sports and Events Destination Specialist</td>
<td>$276.00</td>
<td>9</td>
<td>$227.00</td>
<td>9</td>
<td>$4,527.00</td>
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<tr>
<td></td>
<td>Marketing Staff</td>
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<td>$227.00</td>
<td>5</td>
<td>$2,515.00</td>
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<tr>
<td></td>
<td>TOTAL:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$17,329.50</td>
</tr>
</tbody>
</table>

Background: The Guam Visitors Bureau (GVB) along with the Guam National Tennis Federation (GNTF) will partner up as official sponsors of the 2018 Rakuten Japan Open Tennis Championships scheduled for October 1-7, 2018.

GVB and GNTF will focus its efforts promoting Guam’s new tennis facilities scheduled to open late this year with the objective to attract Japanese tennis enthusiasts seeking training opportunities closer to home. In addition, for the 9-day event, GVB will have a Guam booth and will continue to promote Guam as a sports destination with attractive and unique golfing, running, cycling and other outdoor regional competitive sports activities.

With over 93,861 fan attendees and roughly 12.6 million viewers worldwide, the event is expected to garner GVB roughly $3,000,000 in media advertising value for Guam. GVB will be promoting Guam to a captive audience interested in competitive sports and travel.

More importantly, the Bureau will take advantage of opportunities to work closely with Japan’s largest online travel site (Rakuten Travel) to increase awareness of Guam through the development of online marketing and sales campaigns.

Issue: Board approval required for travel.

B. ADMINISTRATION & GOV’T RELATIONS

TRAVEL FOR OCTOBER OF FY2019

Exhibit B

Vice Chairman Mesa made a motion, seconded by Director Shinohara, to approve travel for the month of October 2018 from FY2019 as presented. Changes made are subject to board approval. Motion unanimously approved

Issue: Board approval required for travel.

With October fast approaching, Vice President Muna stated the marketing teams would like to get the approval of October 2018 travel motions for FY2019 to have enough preparation time for delegation travel.

C. RESEARCH
Director Shinohara reported the team is aggregating data on the impact post Typhoon Mangkhut and will share the information when available.

D. JAPAN

E. NORTH AMERICA & PACIFIC MARKETS

F. GREATER CHINA

G. RUSSIA & NEW MARKETS

- The Russia Roadshow will be scheduled for October/November 2018.

H. KOREA

- The annual Korea Roadshow in Busan, Gwangju and Daegu will take place October 2018. Followed by the Hana Tour Show in Busan for November 2018.
- The team returned from a successful Mode Tour Travel Show, providing good exposure for Guam as it was held at COEX in Seoul.
- Management along with the legal counsel, is working directly with MBC in finalize the KPOP Concert contract. GVB sent the latest revisions of the contract to MBC yesterday and the final version will be shared with the board for feedback.

I. CULTURAL & HERITAGE

SONS AND DAUGHTERS OF GUAM CLUB (SDGC) 65TH UNIFICATION CELEBRATION AND US-GUAM CHAMORRO DANCE ACADEMY

Director Arriola made a motion, seconded by Director Jackson, to approve travel for Master of Chamorro Dance Frank Rabon and two assistants to participate in the Sons and Daughters of Guam Club (SDGC) 65th Unification Celebration and to conduct the US-Guam Chamorro Dance Academy in San Diego, California from September 26 – October 2, 2018. (Estimated cost up to $4,898.00 from Acct No. DM-CPO0006).
Motions unanimously approved

<table>
<thead>
<tr>
<th>Per Diem:</th>
<th>San Diego, CA</th>
<th>Lodging</th>
<th>Nights</th>
<th>M&amp;E</th>
<th>Days</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frank Rabon</td>
<td>$153.00</td>
<td>6</td>
<td>$64.00</td>
<td>7</td>
<td></td>
<td>$1,366.00</td>
</tr>
<tr>
<td>Assistants (2pax)</td>
<td>$153.00</td>
<td>6</td>
<td>$64.00</td>
<td>7</td>
<td></td>
<td>$2,732.00</td>
</tr>
</tbody>
</table>

| Prof Fee:       | Musician      | $100.00 | 1 pax | 5   |      | $500.00     |
|                 | Assistants    | $50.00  | 2 pax | 5   |      | $500.00     |
|                 |               |         |       |     |      | TOTAL $5,098.00 |

Background: GVB will participate in the Sons and Daughters of Guam Club, Inc.'s 65th Unification Celebration scheduled for Sunday, September 30th. Prior to the celebration, the Sons & Daughters of Guam Club, Inc. invited Master of Chamorro Dance Frank Rabon and his two assistants to conduct the US-Guam Chamorro Dance Academy worship. The Seattle group as well as the East Coast groups will be joining the dance academy workshop. The SDGC provided the three round trip tickets for Master Frank and his two assistants.

The Bureau will continue to work closely with various active stateside Chamorro dance groups with the continuation of the US-Guam Chamorro Dance Academy.
Issue: Board approval required for all travel.

- GVB management will have to work with Guam Museum to see if student rates can be applied to off-island students here on school programs.
- The board would also like to revisit the idea of hosting a board meeting at the museum so that board members may experience the exhibits.

J. DESTINATION MANAGEMENT

- GVB to reach out to DPR in regards to the locking of public restrooms during hours of operation.

K. SPORTS & EVENTS

L. MEMBERSHIP & COMMUNITY OUTREACH

- Membership renewal is ongoing, deadline for dues will be October 10, 2018.
- Director Kloppenburg notified, due to Typhoon Mangkhut the membership meeting that was scheduled for September 14, 2018 has been postponed to a later date. Details will be forthcoming. Questions for the gubernatorial debate may still be submitted to Destination Specialist Ada.

M. VISITOR SAFETY & SATISFACTION

- Update in regards to the illegal B&B issue, GVB’s information pamphlet was approved by DR&T. Destination Specialist Garrido is working on an outreach to short-term vacation rentals but is having schedule conflicts with DR&T. GVB management is suggesting to have a certification/inspection program that mirrors the tour guide inspection protocol and report info back to DR&T.

GVB RFP 2018-004

Vice Chairman Mesa made a motion, seconded by Director Kloppenburg, 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 2018-004 Holiday Illumination, and if successful, to enter into a contract. Motion unanimously approved

Background: As a unique and vital element of the Guam brand, one of the important vehicles of communication is how we celebrate the Christmas season. The Guam Visitors Bureau aims to enhance the idea of a tropical Christmas with broad, attractive and exciting interpretation tied into a different theme each year. Duration of the project is November 30, 2018 – January 6, 2019.

Contract commences 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 2018-005

Vice Chairman Mesa made a motion, seconded by Director Arriola, 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 2018-005 Tour Guide Inspector Services, and if successful, to enter into a contract.
Motion unanimously approved

**Background:** The role of the GVB Tour Guide Inspector (TGI) is to monitor tour guide operators as to their compliance with Public Law 23-136 and Public Law 24-106 (Rules and Regulations governing the certification of tour guides and licensing of tour operator businesses). This is a full-time position, working no more than 40 hours per week or 160 hours per month, and reports directly to the Tourism Industry Relations Officer. Requires that priority is placed in facilitation of the Tour Guide Program, Park and Facilities Inspection, and GVB Marketing and Community Programs.

Contract commences 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.

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**GVB RFP 2018-006**

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 2018-006 Visitor Surveys, and if successful, to enter into a contract.
Motion unanimously approved

**Background:** Exit surveys will be conducted at the Guam International Airport Authority (GIAPA), with seasonal and events surveys to be conducted at various locations throughout the year. The Firm should have specialties in designing, implementing, and evaluating research on Guam to assist GVB in monitoring visitor behavior from its major source markets. Surveys will be designed to track and measure visitor attitudes, satisfaction, spending patterns and other key indicators as directed by GVB. The information collected should also assist GVB to refresh certain baseline data to better understand the nature and economic value of each visitor market segment.

The contractual obligation shall be for five consecutive years commencing FY2019 and through to FY2023 and is subject to fiscal year-end performance reviews, availability and certification of funds from fiscal year to fiscal year.

**Issue:** Board approval required.

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**VII. OLD BUSINESS**

**VIII. NEW BUSINESS**

**IX. EXECUTIVE SESSION**

**X. ANNOUNCEMENTS**

Upcoming Board Meetings:
XI. ADJOURNMENT

Director Arriola made a motion, seconded by Director Shinohara, to adjourn the meeting. Meeting adjourned at 5:06 pm. Motion unanimously approved

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

Board Minutes respectfully submitted by Maura Yi, Executive Secretary