



BOARD OF DIRECTORS REGULAR MEETING
Thursday, December 14, 2017 – 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 Tak Takano	Director Theresa Arriola
Director Bart Jackson	Director Katarina Sgro
Director William Nault	

BOARD OF DIRECTORS TELEPHONICALLY:

BOARD OF DIRECTORS ABSENT:

Director Robert Hofmann	Director Eduardo "Champ" Calvo
Director Sam Shinohara	Director Satoru Murata

GVB MANAGEMENT & STAFF PRESENT:

Antonio Muna	Rose Cunliffe	Karida Brennan
Maura Yi	Doris Ada	Josh Tyquiengco
Nico Fujikawa	Laurette Perez	Colleen Cabedo
Elaine Pangelinan	Meriza Peredo	Breeana Quitugua
Gabbie Franquez	Regina Nedlic	Frances Aguon
Nadine Leon Guerrero	Josh Concepcion	Maria San Nicolas

GVB MANAGEMENT & STAFF TELEPHONICALLY:

GUESTS:

In the absence of President Denight, Vice President Muna served as Acting President & CEO.

I. CALL TO ORDER

Chairman Morinaga called the meeting of the board to order at 3:45pm.

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 November 9, 2017.

Motion unanimously approved (Subject to minor revisions)

III. CHAIRMAN'S REPORT

- o Chairman Morinaga thanked all employees, committee members, shareholders and participants for a successful finish on the Mega Fam Tour. He also congratulated the addition of flights from Japan Airlines, expressed his gratitude to the airport for extending their incentive program to the airlines. JAL will receive a 50% discount on airport fees with the addition of a daily flight.
- o Chairman Morinaga asked Acting President Muna if China Airlines will increase from 4 flights to 5 flights daily and if they will be receiving a 10% discount in airport fees. Acting President Muna confirmed increase and said he will find out the agreement. Chairman Morinaga wants to inform them, hoping it will incentivize China Airlines to increase daily flights. He also wishes to hold another meeting with China Airlines, based on the positive outcome from the meeting with China Airlines Chairman, Taiwan President Ing-Wen and Governor Calvo.



- Director Jackson asked if there are any low-cost carriers (LCC) that fly from Japan to Hawaii. Chairman Morinaga confirmed that there are no Japanese owned LCCs from Japan to Hawaii and Director Nault verified that LCC Air Asia X operating from Kuala Lumpur flies to Honolulu via Osaka. Director Nault also noted that Air Asia Japan is on standby to receive their license and if permitted will be the first LCC to flight out of Japan to Honolulu via Nagoya.
- Chairman Morinaga stated that Shizuoka Airport expressed interest to GVB Japan in servicing airlines from Shizuoka to Guam. The Shizuoka Airport will reach out to the airlines and incentivize, Chairman Morinaga hopes that Shizuoka Airport incentives addition to the Guam Airport incentives will bring more airline carriers to Guam.
- Chairman Morinaga requested for Management to inform the Board of Directors about any event(s) in relation to tourism and GVB ahead of time, so they may be aware should the public reach out to any Board of Directors.
- Vice Chairman Mesa wants GVB to reach out to food truck vendors and invite them to be members of GVB and take the Hafa Adai Pledge if they have not yet done so.
- Chairman Morinaga addressed action item of assigning the Chairperson for the Administration and Government Relations Committee and nominated Acting President Muna.
- Chairman Morinaga asked the Board of Directors if they would like to keep or cancel the next board meeting scheduled for December 28, 2017. The Board of Directors decided to cancel the last meeting of 2017 due to the holidays and hold the next one for January 11, 2018.

IV. PRESIDENT & CEO'S REPORT



% Market Mix	Origin	2016	2017	% to LY
37.4%	Japan	48,898	34,468	-25.4%
49.6%	Korea	38,858	48,385	25.1%
0.8%	China	1,098	763	-30.4%
0.6%	Hong Kong	594	573	-3.2%
1.8%	Taiwan	2,337	1,807	-22.7%
4.4%	US/Hawaii	3,749	4,377	14.1%
2.3%	Philippines	1,971	2,007	1.8%

Source: Guam Customs Declaration Forms, Provided by the Guam Visitors Bureau

% Market Mix	Origin	2016	2017	% to LY
40.8%	Japan	668,835	563,711	-15.7%
43.6%	Korea	479,732	602,083	25.5%
1.4%	China	23,077	18,948	-20.4%
1.0%	Hong Kong	7,123	13,740	92.9%
2.2%	Taiwan	38,564	20,067	-22.1%
4.9%	US/Hawaii	69,471	67,988	-2.1%
1.2%	Philippines	18,034	16,838	-13.1%

Source: Guam Customs Declaration Forms, Provided by the Guam Visitors Bureau

Fiscal Year to Date 2018

October-November 24, 2017

Total: 211,113 (-5.4%)

% Market Mix	Origin	2017	2018	% to LY
33.8%	Japan	104,534	70,857	-32.1%
49.8%	Korea	88,777	104,657	20.8%
1.0%	China	3,481	2,158	-37.9%
0.8%	Hong Kong	1,245	1,186	-4.7%
1.7%	Taiwan	6,096	3,806	-37.2%
4.9%	US/Hawaii	9,671	9,593	-0.8%
1.6%	Philippines	4,577	3,729	-18.6%

Source: Guam Customs Evaluation Point, Processed by the Guam Visitors Bureau.

Japan Market

MegaFam Tour: November 30 – December 3, 2017

- Trade show at Dusit Thani Resort Guam
- Welcome fiesta at Plaza de España



MARKETING

Japan Market

MegaFam Tour: November 30 – December 3, 2017

Participants:

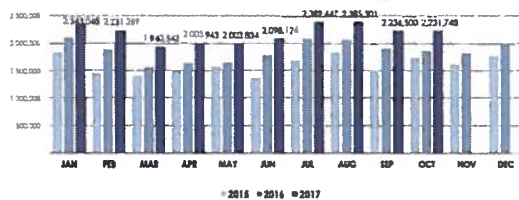
Tokyo: 198
Kansai: 80
Nagoya: 42
Tohoku: 16
Hokkaido: 30
Fukuoka: 21
Total: 387

Media: 163
Travel agents: 224
Total: 387



Korea Marketing News

Total Number of Korean Outbound Travelers



• Total number of Korean outbound travelers: 2.2 million (2017 OCT) → 19.6% increased vs. 2016 OCT
2017 OCT YTD: 21.9 million → 17.9% increased vs. 2016 YTD

* Reference: Korea Tourism Organization <http://kto.visitkorea.or.kr/eng/notice/noticeDetail.do>

Korea Marketing News

Airline Capacity to Guam

Incheon - Guam

Airline	Flight No.	DEP. Time	ARR. Time	Days	Seat Capacity per month
Korean Air	KE113	09:15	14:35	Daily	338 seats x 31 = 10,478 seats
	KE111	19:35	00:10+1	Daily	276 seats x 31 = 8,556 seats
Jeju Air	7C3102	10:05	15:25	Daily	189 seats x 31 = 5,859 seats
	7C3106	20:10	01:40+1	Daily	189 seats x 31 = 5,859 seats
Jin Air	7C3108	21:50	03:20+1	Daily	189 seats x 31 = 5,859 seats
	LJ641	09:35	14:50	Daily	189 seats x 3 = 567 seats
T'Way Air	LJ643	10:10	15:25	Daily (-Dec 3)	189 seats x 3 = 567 seats
	TW301	18:00	23:30	Daily	189 seats x 31 = 5,859 seats
Air Seoul	RS102	20:45	02:10+1	Daily	195 seats x 31 = 6,045 seats

Outbound seat capacity from ICN to GUM = 60,653 seats

Korea Marketing News

Airline Capacity to Guam

Airline	Flight No.	DEP. Time	ARR. Time	Days	Seat Capacity per month
Korean Air	KE2115	22:05	01:05+1	Wed/Thu/Sat/Sun	138 seats x 18 = 2,484 seats
JAL Air	7C1154	22:00 (Thu/Fri/Sat/Sun) 22:25 (Mon/Wed/Thurs)	02:11+1 03:05+1	Daily	189 seats x 30 = 5,670 seats
Jin Air	LH47	07:30 (Mon) 08:00 (Tue-Sun)	12:30 (Mon) 13:00 (Tue-Sun)	Daily	189 seats x 30 = 5,670 seats
Air Busan	B0612	22:05	03:10+1	Wed/Thu/Sat/Sun	195 seats x 18 = 3,510 seats

Outbound seat capacity from PUS to GUAM = 17,712 seats

Daegu - Osaka - Guam

Airline	Flight No.	DEP. Time	ARR. Time	Days	Seat Capacity per month
T'Way Air	TW311	08:31	13:10	Daily	189 seats x 30 = 5,670 seats

Outbound seat capacity from TAE to GUAM = 5,670 seats
- It includes a certain portion of Japanese travelers

Total Outbound Seat Capacity (December)	
1 month Average	84,234 seats (Max)

Korea Marketing News

Travel Trade Support

- Bonsuam Tour - Mini Travel Mart
- Period: November 3 - 5, 2017
- Venue: IF Hyung-dong Shinsegae Department Store

- Web Tour - Incentive Group Support
- Period: November 20 - November 23, 2017
- Travelers: Lam Research Korea
- Venue: Hyatt Regency Guam
- GVB's support: Welcome shell lei with Miss Guam

- E&F Tour - Incentive Group Support
- Period: November 04 - November 09, 2017
- Travelers: PCA Group (200pax)
- Venue: Hyatt Regency Guam
- GVB's support: Welcome shell lei with Miss Guam & Cultural Performance



Korea Marketing News

News

- E&F Tour - Incentive Group Support
- Period: November 14 - November 17, 2017
- Travelers: CREATE Company
- Venue: Hilton Guam Resort & Spa
- GVB's support: Welcome shell lei with Miss Guam & Cultural Performance

- Magellan Tour - Incentive Group Support
- Period: November 15 - November 18, 2017
- Travelers: SH&S Vail Coverings Company (370pax)
- Venue: Sheraton Laguna Guam

- The MICE Travel - Incentive Group Support
- Period: November 15 - November 18, 2017
- Travelers: Hyatt Company (700pax)
- Venue: Hilton Guam Resort & Spa



Korea Marketing News

Mode Tour Travel Mart

- Period: November 16 - 19, 2017
- Venue: COEX
- Co-sponsors: Total (12) - Bayview & Ocean View / Duxit, Thera Guam Resort / Guam Plaza Resort & Spa / Hyatt Regency Guam / Lotte Hotel Guam / Met Enterprise / Diamond Beach Resort Guam / Outrigger Guam Beach Resort / PVR / Pleasure Island / Royal Orchid Guam Hotel / The Westin Resort Guam / Akusang Beach Club / Pacific Star
- Delegates:



- RESULT
- No. of Visitors: 73,800pax
- On site Sales: 1,497 Guam tour products sold
- Total Sales: 3,913 Guam tour products sold (onsite sales & other Mode channels)

Korea Marketing News

GVB Year End Appreciation Reception



- Date: November 29, 2017
- Venue: Seoul Dragon City
- Participants: 120 pax

Korea Marketing News

Hana Tour International Show Busan (1st HANA Tour Show in Busan)



- Period: December 01 - 03, 2017
- Venue: BECCO, Busan

- RESULT
- No. of Visitors: 35,500 pax
- On site Sales: 313 Guam tour products sold

Korea Marketing

News

3rd Annual MBC Golf Tournament Welcome Reception

- Period: December 11, 2017
- Venue: Urrutia Room, Westin Resort Guam
- Guests: 120 Pax



- Remarks by: Lt. Governor Ray Tenorio, MBC Sports Plus CEO Lee Hyung Gwan, GVB Board Director/ KMC Chairman Bart Jackson and Mode Tour
- Entertainment: Ryan Imamura & Zach Ounaka, Guma Kinalamten I Taotao Tano
- Special Appearance: Miss World Guam 2016 Phoebe Palisoc, Miss Earth 2017 Emma Sheedy
- Program Included: Appreciation Presentation from MBC to GVB, Lucky Draw Prizes

Korea Marketing News

3rd Annual MBC Golf Tournament Farewell Reception

YOU ARE CORDIALLY INVITED!

MBC SPORTS+

FAREWELL RECEPTION
Hosted by MBC

Thursday, December 14, 2017
Westin Resort Guam
Venue: Starlight BBQ (Poolside)

6:30 p.m. – 7:00 p.m. – Guests to Arrive
7:00 p.m. – 9:00 p.m. – Dinner Reception

Korea Marketing News

Air Seoul's Mint Story Filming

- Period: December 10 – December 14, 2017
- Mint story is a series of promotional video clips produced by Air Seoul to promote the destinations they service.
- GVB Korea Staff On-Island: Jessica Ham / Ellie Bae



Hong Kong Marketing News

Cathay Dragon Chartered Flight to Guam

Date: Nov 19 - 23, 2017
Aircraft service & type: Cathay Dragon, Airbus A321s (150 seats)

Flight schedule: 19 Nov 16:05 departure from Hong Kong, landing time in Guam is 23:35
23 Nov 12:35 departure from Guam, landing time in Hong Kong is 15:50

Promotion work:

- Cathay Pacific Holidays (subsidiary travel agency of Cathay Pacific Airlines) promoted a One-time package from HKD \$4,120/USD \$531 per person
- Package included Cathay Dragon air fare & 4-night accommodation at Outrigger Guam Beach Resort OR Hyatt Regency Guam OR Dusit Thani
- GVBHK sent press release and Facebook post to promote this offer.

Accomplishments:

- Total 90 pax in the flight (passengers + crew)
- GVBHK office provided the Guam driving map, travel guide, cable holder & 50¢ key chain to each passenger at check-in counters.



Taiwan Marketing News

China Airline resumes Sunday Flights

- Add Sunday flights starting from Mar. 25, 2018 (2018/3/25-10/25)
- Become five flights per week (Tues, Wed, Fri, Sat, Sun)
- For the group tickets, the pattern will be 5D4N except the Sunday flight (6D5N); the flight remains Boeing 737-800
- Post the great news on GVB Taiwan Fanpage, and will announce the news on Dec. media gathering

	C126 TPE - GUM		C125 GUM - TPE	
Tuesday	07:20 - 13:15	Saturday	15:40 - 17:30	5D4N
Wednesday	08:20 - 14:15	Sunday	15:35 - 17:25	5D4N
Friday	08:00 - 13:50	Tuesday	14:45 - 16:35	5D4N
Saturday	08:00 - 13:50	Wednesday	15:35 - 17:25	5D4N
Sunday	08:20 - 14:15	Friday	14:45 - 16:35	6D5N

Pacific Marketing News



Deep Blue Adventures

Deep Blue Adventures is an independent, fully accredited IATA and ASTA Scuba diving tour operator dedicated to scuba divers and their companions.

Ms. Terri Huber, a representative of Deep Blue Adventures, completed an inspection tour of Guam's dive and tourism offerings to create dive packages for Guam and the region.

Pacific Marketing News



PATA NEW TOURISM FRONTIER FORUM – PALAU NOVEMBER 16-17, 2017



**PATA MICRONESIA CHAPTER 3RD
TRI-ANNUAL MEETING – PALAU
NOVEMBER 13-14, 2017**



North America Marketing News



ANDREW COLLINS FAMILIARIZATION TOUR DECEMBER 5-12, 2017



- Journalist Andrew Collins visited Guam in December
- He has been editing LGBT and mainstream travel guidebooks, magazines, and newspapers for nearly three decades
- Collins was the featured guest speaker at GVB's Membership Mixer held at Hilton Guam Resort & Spa on December 11, 2017
- He is working with GVB to create collateral tools for the marketing department to use in promoting to the LGBTQ visitor market
- Local media also covered Collins' visit (KUAM, PNC, Guam Daily Post & Glimpses)



Philippines Marketing News



**Quezon City Travel Agencies Association (QCTAA)
October 28 – November 1
32 Board of Trustees and Members**



**Philippine Travel Agencies Association (PTAA)
November 25-28
28 Board of Trustees and Members**



**Cebu Pacific Lifestyle Media
November 25 – 28, 2017
15 pax
Fully funded by Cebu Pacific Air**

Russia Marketing News



Familiarization Tours



- GVB hosted 6 of the biggest Russian Media from November 20 -24
- Conducted interviews with GVB Management/Historian Anthony Ramirez
- Island Tours and visit to Gef Pa'go /Valley of the Latte/Southern hikes
- CEO of GVB Russia Office Kirill Potapenko was on Guam November 28
- Provided update of FY18 plans for Russia market

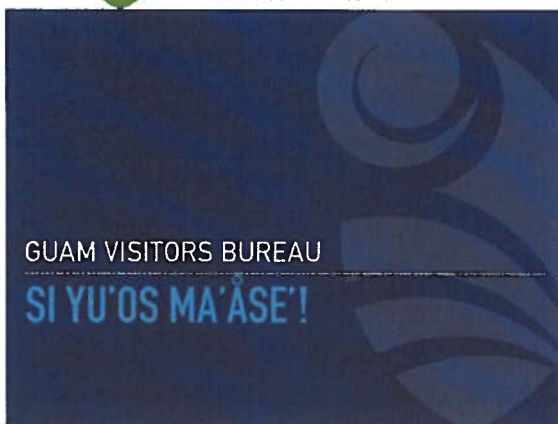
DESTINATION

New Year's Eve Fireworks



- New Year's Eve Fireworks Show event planned for December 31 at Governor Joseph P. Flores Memorial (Ypao Beach) Park
- Event to be from 5 p.m to midnight
- Live entertainment, family friendly activities, food and drinks, and food trucks planned
- Fireworks show in Tumon Bay at midnight







V. TREASURER'S REPORT

Exhibit B

FY 2016					
	Appropriation	Received to Date		Balance	
FY 2016 Pass-Thru	\$ 750,000.00	\$ 712,500.00	95%	\$ 37,500.00	5%
TOTAL PRIOR FY RECEIVABLES				\$ 75,000.00	
FY 2018					
	Appropriation	Received to Date		Balance	
Operations	\$ 18,750,216.00	\$ 1,975,017.98	11%	\$ 16,775,198.02	89%
Sustained Marketing - Korea	\$ 4,000,000.00	\$ -	0%	\$ 4,000,000.00	100%
Destination Development	\$ 1,085,000.00	\$ 90,416.66	8%	\$ 994,583.34	92%
GVB Cruise Ship Industry Development Program	\$ 50,000.00	\$ 4,166.66	8%	\$ 45,833.34	92%
Rainy Day Fund	\$ 200,000.00	\$ 16,666.66	8%	\$ 183,333.34	92%
Cultural & Sports Ambassador Fund	\$ 200,000.00	\$ 16,666.66	8%	\$ 183,333.34	92%
Pass-Thru	\$ 790,000.00	\$ 67,916.59	9%	\$ 722,083.41	91%
TOTAL RECEIVABLES FY 2018	\$ 25,075,216.00	\$ 2,170,851.21		\$ 22,904,364.79	
TOTAL RECEIVABLES				\$ 22,979,364.79	
RESTRICTED					
Bank of Guam - Rainy Day Fund ¹		\$ 1,573,303.56			
Cultural & Sports Ambassador Fund ²		\$ 191,947.65			
GVB Cruise Ship Industry Development Program		\$ 4,166.66			
TOTAL RESTRICTED		\$ 1,765,251.21			
UNRESTRICTED					
Bank of Guam - Operations		\$ 12,007,167.86			
First Hawaiian Bank - Membership		\$ 88,146.44			
Resona		\$ 279,872.58			
Bank of Guam - TAF		\$ 600,499.13			
Raymond James - CD value as of 11/30/2017 ³		\$ 2,542,689.96			
TOTAL UNRESTRICTED		\$ 15,518,375.97			
TOTAL CASH as of 12/11/2017		\$ 17,283,627.18			
Current Payables					
Asatsu Invoices (AUG - OCT)		\$ 1,224,490.69			
Japan Invoices		\$ 50,283.14			
Guam Invoices		\$ 1,050,829.19			
Pass-Thru		\$ 42,916.67			
Encumbered Contracts		\$ 5,044,484.91			
Encumbered Purchase Orders		\$ 117,810.34			
TOTAL as of 12/11/2017		\$ 7,530,814.94			
NOTES					
NOTE 1					
	\$1,573,303.56	Rainy Day Fund			
	(\$603,000)	Rainy Day expenses Japan - reimburse Operations			
	\$1,572,606.56				
NOTE 2					
	\$191,947.65	Cultural and Sports Ambassador Fund			
	(\$2,750,000)	Cultural and Sports Ambassador expenses - reimburse Operations			
	\$189,447.65				
NOTE 3					
	\$2,542,689.96	Raymond James - CD			
	(\$1,160,250.98)	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			
	(\$702,682.19)	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			
	(\$115,756.79)	BALANCE - Pale San Vitores Road Bus Shelter Project			
	(\$121,216.48)	BALANCE - Planning, Architectural and Engineering Services for Tumon Bay Improvement			
	0.00				

December 12, 2017

Vice Chairman Mesa made a motion, seconded by Director Jackson, to approve the Treasurer's Report.
Motion approved

- o Vice Chairman Mesa asked what are the terms to tap into the Rainy Day Fund. Acting President Muna answered 50% of the available balance at any given time.
- o Accounting Manager Perez reported receivables from the allotment has not been collected for the month of December and only two has been collected for month of November from





Visitor Safety & Satisfaction and Pass-Thru. Director Arriola expressed concern for not collecting receivables for the month of November. Acting President Muna affirmed Director of Finance & Administration Cunliffe is actively following up with payment.

VI. REPORT OF THE BOARD COMMITTEES

A. EXECUTIVE COMMITTEE

JAPAN AIR SERVICE DEVELOPMENT MEETING IN GUAM

Vice Chairman Mesa made a motion, seconded by Director Jackson, to ratify Executive Committee's travel approval for one (1) GVB Japan staff to join a meeting with Governor of Guam, A.B. Won Pat International Airport Authority Guam and GVB President & CEO in Guam from November 20-21, 2017 (Estimated cost of travel \$1,425.00; Account No JA-SMD004).

Motion approved

Airfare	\$1,000.00
JP Transportation to/from airport	\$100.00
Per diem x 2 days	\$125.00
Rental car x 2 days	\$200.00
Total	\$1,425.00

Background: High-level Japan-Guam air service development meeting has been arranged with Governor Calvo, GIAA and Japan Airlines. Discussion about future increased service, sales and marketing activities for Guam will take place and participation by key partners is crucial to pursue this endeavor effectively and efficiently. Acting GVB Japan Director Hiroshi Kaneko is kindly requested to participate in this meeting in Guam.

Issue: Board approval required for travel.

INTERNATIONAL CIVIL SOCIETY WEEK (ICSW), FIJI

Vice Chairman Mesa made a motion, seconded by Director Jackson, to ratify Executive Committee's travel approval for CHC Chairwoman and two (2) musicians to attend the International Civil Society Week (ICSW) in Fiji from December 4 – 8, 2017. (Estimated cost up to \$12,364.00 from Acct No. DM-FY2017).

Motion approved

Airfare	3	\$2,500.00		\$7,500.00
Per Diem Lodging	2	\$203.00	6	2,436.00
M & IE	2	\$102.00	7	1,428.00
Prof Fee				
Musicians	2	\$100.00	5	\$1,000.00
				\$12,364.00

Background: International Civil Society Week (ICSW) is a key global gathering for civil society and other stakeholders to engage constructively in finding common solutions to global challenges. For the first time in more than 20 years of international convening, CIVICUS in partnership with the Pacific Islands Association of Non-Governmental Organizations (PIANGO) will hold its flagship event in the Pacific region.



Holding ICSW 2017 in the Pacific provides an ideal forum for civil society to meet and discuss climate and social justice. This year the Pacific will feature prominently in several key intergovernmental initiatives, including COP 23, the UN's Oceans Conference and the UN international year of sustainable tourism for development.

Over 1,000 attendees are expected this year. This will be a unique opportunity to showcase the cultures and programs of Guam and Micronesia to partners, stakeholders, policy makers, and international funders as well as to bid for the conference to be held on Guam next year.

It is also an opportune time for the CHC Chairwoman to network with the attendees and invite them to the 30th Guam Micronesia Island Fair scheduled for May 2018.

Issue: Board approval required for all travel.

- o Director Arriola shared her experience attending the event, it was the first time in over a decade this event was hosted in the Pacific. Sarah Thomas Nededog, Payu-TA Chairperson, was elected to be the PIANGO Chair for the Pacific, so it was a great opportunity to promote Guam. This annual gathering will take place in Eastern Europe Baltic Seas next year. Vice Chairman Mesa asked Director Arriola if Guam could invite the ICSW to be hosted on Guam, she informed the board that there are on going discussions with CIVIVUS to do so, Guam could be host to regional meetings in smaller contingents. The event was overall very well attended not just by the Micronesian region but also by the Asian countries. Justin and Ruby accompanied the trip and were a big hit.
- o Director Arriola expressed her gratitude towards GVB's support towards non-profit organizations.

B. VISITOR SAFETY & SATISFACTION

- o Director Hong has reported the translated crosswalks signage project is complete.
- o GVB met with the Department of Revenue & Taxation (DRT) and discussed the current laws and status of pending legislation regarding short term vacation rental, guesthouse and B&B. Issues discussed at the meeting:
 - o A) An outreach presentation will be conducted for all interested and current B&B vendors in the months of February and March. Working sessions will begin in January.
 - o B) B&B's rental certification to be issued by DRT.
 - o C) Update Standard Operating Process for DRT / GVB with business license and tour guides.
 - o D) Guam Seal Approval Task Force: Stakeholders DRT, GVB, GHRA and GCC.
 - o E) Tourism Enforcement task force: Stakeholders DRT, GVB, GIAA and GPD will address the illegal B&Bs, guesthouses, taxis and shuttles.
- o Director Jackson stated that, in the recent GHRA board meeting, short term vacation homes, were a primary concern. Korean home owners have complained even if they tried to comply, there are no rules and regulations with DRT. Director Jackson hopes the outreach program will solve these issues and other non-compliant matters can be addressed. Director Hong stated the outreach program will educate B&B and rental car owners of the rules and regulations which will benefit all.
- o In the previous KMC meeting, Director Hong mentioned two local Korean newspapers reported the DMV accepts Korean (foreign) licenses for renting cars but will not accept international licenses. This matter needs to be reviewed further with DMV.
- o Director Hong received an email from five Korean visitors who were denied entry by immigrations and were sent back on a plane the next morning. These tourists did not have any access to Wi-Fi and were denied phone calls to relatives on island while being detained. They complained to the US Embassy in Korea, asking why the Guam airport does not have free Wi-Fi access. Director Hong declared that something must be done to give free Wi-Fi access in all areas of the airport and along the hotel road (smart city zones). Director Arriola





stated she has asked GIAA why free Wi-Fi is not provided and Director Jackson said a request must be made to the airport.

- o One of the tourist also claimed the immigration officer declared a visa is required for entry from Korea to Guam. During their confinement the tourist were not given any food or water. These tourists wrote to the US Embassy and the message was then forwarded to Director Hong. She apologetically replied to the US Embassy stating that US Customs and Immigrations office is out of GVB's control.
- o Director Nault explained that Wi-Fi access throughout the island is possible and is currently being discussed with Docomo, but as for the area dealing with US Immigrations and Customs at the airport, Wi-Fi access is not allowed and cellphones are usually confiscated if used.
- o Acting President Muna stated that GIAA is currently working on a project with Docomo to install free Wi-Fi. Currently, there is free Wi-Fi but with limited access and becomes spotty in certain areas and around gates. He said the topic will be discussed with GIAA.
- o Chairman Morinaga emphasized that immigration areas are no communication zones for reasons of national safety. Immigration officers have full discretion who they allow to pass through. Chairman Morinaga asked what was the reason for denied entry, Director Hong answered the reason was unclear and asked GVB to assist in finding out why. Director Nault suggested the issue might have been the visa waiver program, the individual might have applied but had some police record. Director Hong rebutted stating the individual was just on Guam in July to play golf with friends but this time they were rejected with no explanation. Director Jackson iterated that since 9/11 each border officer has the individual right to reject someone just because. It happens to Russian, Korean and Japanese tourist alike.
- o Vice Chairman Mesa expressed regret over the incident and added the visitors should at least be treated with respect, at least to offer a bottle of water. Director Nault said translators are provided for those with language barriers, usually from the airlines, and they are able to contact the family members and request for water.
- o Director Hong shared a post from Korea Joongang Daily ranking the top destinations for Korean tourists in 2017 were Jeju, Guam, Osaka, Tokyo, and Fukuoka (in that order). Airplane tickets are purchased 6 days before travel. The peak travel month is September with a stay duration of 6.4 days. And Guam is reported to be the #1 family tourist destination.
- o Korean Airlines flights will be utilizing Incheon International Airport's new terminal #2 starting January.

C. CULTURAL & HERITAGE

D. SPORTS & EVENTS

E. ADMINISTRATION & GOV'T RELATIONS

F. DESTINATION MANAGEMENT

- o Vice Chairman Mesa reported 9 out of 12 bus shelters are complete and will be completed by end of December 2017.
- o Flood mitigation update: 13 of 21 inlets complete, 3 of 9 trench drains complete, problems with existing utilities requiring re-design due to utility obstruction and inlet connection issues are causing delays. Completion date extended to January 2018.
- o Streetlights update: 393 completed, but seeing issues in pocket areas, the team is looking into contractors and their warranty. Currently 4 streetlights are still damaged by auto accidents, repairs will be charged to the appropriate insurance company. Vice Chairman Mesa has asked the members of the board to report any other streetlight issues they may come across.
- o Bus shelters have been complimented by visitors and members alike. However, there have been complaints in regards to trash bins being covered. Management is looking into resolving the issue. Visitors are forcing trash into covered bins. Vice Chairman stated there is a need

for an interim solution and suggested utilizing the Rainy Day Fund to assist with hiring a contractor to pick up the trash daily.

- o Acting President Muna stated there is a maintenance plan ready to be implemented but there is an issue with funding. Management looking at identifying the source of funding with the help of the board to subsidize a trash service to be included in the current contract. Another option is to charge the bus companies for the additional needed funding.
- o Director Takano said it was a mistake to install trash bins at bus shelters in the first place. It invites people to dispose their trash, creating an overflow of trash that needs to be addressed with continued funding. If there is no trash bin, there will be no trash collection. Director Jackson agreed, visitors will wait to dispose their trash at the proper place.
- o Option one is to remove and store the trash receptacles at the bus shelter and to see what happens or option two to remove 12 concrete trash receptacles, donate to parks, Chamorro Village, and/or to mayors, and accommodate the 12 bus shelter bins by inserting them into the current maintenance contract.
- o Chairman Morinaga asked for a status report by the next board meeting along with the cost of the newly reflected changes, if so decided.

G. GREATER CHINA

GVB RFP 2017-013 TOURISM DESTINATION MARKETING REPRESENTATION SERVICES IN HONG KONG

Vice Chairman Mesa made a motion, seconded by Director Jackson, to ratify motion 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 2017-013 Tourism Destination Marketing Representation Services in Hong Kong, and if successful, to enter into a contract.

Motion approved

Background: On August 5th, GVB sent a letter to the current contractor explaining the Bureau's decision to revisit marketing strategies for Hong Kong and maintains the contract on a month-to-month basis until the RFP process is completed and the new service is ready to commence. GVB solicited proposals from professional and experienced companies to be GVB's TOURISM DESTINATION MARKETING REPRESENTATION SERVICES IN HONG KONG to assist GVB in promoting Guam tourism and achieving visitor arrival goals, and to act as GVB's liaison in matters pertaining to Guam. The evaluations were completed on November 29, 2017 and their recommendation has been forwarded to the President and CEO.

The contractual obligation shall be for a one-year period, with two one-year options to renew, total of three (3) years (FY2018, FY2019, and FY2020) and is subject to fiscal year-end performance reviews, availability, and certification of funds from fiscal year to fiscal year.

Issue: Board approval required.

H. JAPAN

- o Director Nault reported the success of the Mega Fam Tour and the positive outlook it received with the addition of the Japan Airlines flights.
- o Chairman Morinaga, President Denight, and Director Nault participated in the JGTC meeting formed by the travel partners in Japan. They reported a positive impact from Mega Fam promoting Guam is still a safe and friendly place to visit, not just to visitors but also their employees. They discussed the topic of school trips and the strong desire to regain focus on that market segment. Director Nault said we need to work on visiting schools and meet with school principals to push for school trips. News of North Korea's threat have simmered down in major urban areas but there is still a negative impact in surrounding rural areas. The Japan office is working on regaining lost business travels and MICE groups. Vice Chairman Mesa



added that we must work diligently with the Japan office, to ensure cancellations do not occur and he commended the success of the Osaka school trips that took place.

- o Director Jackson shared feedback from GHRA in regards to Mega Fam Tour, some hotels felt under represented at the event. GVB was looking for rooms to accommodate guests, while some hotels offered they were not taken. Director Jackson described it as a timing issue and including GHRA early on in the planning process is most effective.
- o Director Nault added the 2018 promotion *#InstaGuam* was well received because it features all the places in Guam and showcases people really enjoying their time and stay. Need to push hard with *#InstaGuam* to get more social media content from visitors.

I. KOREA

- o Director Jackson reported it was the last shooting day for the MBC Golf Tournament, this year is the third annual tournament and it has been very successful with an estimated value of \$86 million in media exposure.
- o The Korean office just completed their year end appreciation party with around 150 travel agents in Seoul
- o Hana Tour also just completed their first International Trade Show in Busan, they will continue with two Hana Tour Trade Shows yearly, one in Seoul and one in Busan. They anticipate Mode Tour to also create one for Busan. This year's Mode Tour Trade Show was the first time Guam had their own pavilion, which was a positive turnout for all participating exhibitors. It was a well attended event and Mode Tour was able to make some tour sales on-premise.
- o The Korean market continues to grow with numbers increasing 20% in business, despite North Korea threats. We are expecting to hit 660,000 for Korean visitors in the calendar year 2017 and look forward to achieving 700,000 in this fiscal year 2018.
- o Vice Chairman Mesa expressed concern for the trade in-bound agreement between China and South Korea, there is an ongoing push to move air capacity between the two markets. Director Jackson responded that was the justification for the increase in the Korean market budget, now dependent on reaching 700,000 Korean visitors, hence the appropriate budget allotted to ensure the goal is achieved.
- o Vice Chairman Mesa commented on the limited equipment capacity that may become a problem in two to three years. Director Jackson stated there is actually an excess in capacity for low-cost carriers that has not made its way to Guam. There is room to grow in the number of seats, carriers, and/or frequencies. He asserted that it is not an issue.

J. MEMBERSHIP & COMMUNITY OUTREACH

- o Director Kloppenburg reported the current number of members is at 273 with 37 new members and 28 renewal members.
- o Four quarterly membership meetings have taken place this year in 2017, with speakers Barbara Wold discussing the millennial travel market, Damian Cook's presentation on Tripadvisor and social media within the travel market, David L. Gossack Minister Counselor for Commercial Affairs at the U.S. Commercial Service, Clifford Guzman's update on the destination management project, and Adam Collins' insight into the LGBT travel market.
- o Next meeting will be held sometime in February, details to be announced.

K. NORTH AMERICA & PACIFIC MARKETS

Committee minutes dated October 4, 2017

Exhibit H

L. RESEARCH

M. RUSSIA & NEW MARKETS

Committee minutes dated October 3, 2017

Exhibit G





- o Director Jackson reported Russia celebrity blogger, Zoe Paradigma, was on island along with the head representative in the Russian office and gave a presentation last week.
- o The number of Russian visitors for this winter is significantly better than last year.
- o Now with Air Seoul connection and prices are better from Yuzhno and Khabarovsk to Guam through Seoul. Also Jeju Air connections to Vladivostok from Seoul has improved, it is less expensive than Korean Air. Once these legs stabilize and increase in Russian arrivals is expected.
- o Next meeting for Russia & New Markets Committee is cancelled and will resume February 6, 2018.

VII. OLD BUSINESS

VIII. NEW BUSINESS

- o New promotions and hire: Bree Garrido promoted to Marketing Officer 1 in Greater China Market, Karida Brennan promoted to Marketing Officer 1 in Japan Market, new hire Maria San Nicolas with the North American & Pacific Market, and Maura Yi as the new Executive Secretary.
- o Director Hong asked if there were any plans to include public viewers for next year's tournament. Director Jackson stated it was solely up to the golf course if they wanted to allow a spectator gallery. If they do so they would have to make restrictions to areas of admission, it would require hundreds of volunteers to monitor.
- o Next year Mode Tour plans to make golf packages available to their market.

IX. EXECUTIVE SESSION

X. ANNOUNCEMENTS

Announcements:

- o Monday, January 15, 2017 Martin Luther King Jr. holiday, GVB will be closed.

Upcoming Board Meetings:

- o Thursday, January 25, 2017 at 3:30pm, GVB Main Conference Room
- o Thursday, February 8, 2017 at 3:30pm, GVB Main Conference Room

XI. ADJOURNMENT

Director Arriola made a motion, seconded by Director Jackson, to adjourn the meeting. Meeting adjourned at 5:05pm.

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. **Assignment of the Chairperson for the Administration and Government Relations Committee**
→ Chairman Morinaga assigned Acting President Muna as Chairperson for Administration and Government Relations Committee
2. ~~Management to facilitate meeting with GVB, GIAA, and GEDA regarding the current situation in the Japan market~~
→ President Denight and Director of Global Marketing Laguana participate in a weekly call with GIAA and ASM World Route Development Consultants
→ Chairman Morinaga, President Denight, and Acting President Muna met with GIAA Chairman Ricardo Duenas and Executive Manager Charles Ada on August 2
→ Governor Calvo has created a working group of GVB, GIAA, and GEDA to work on Japan air service
3. **Management to work with DRT on extended homestay issue**
→ Letter sent to DRT Director on August 29 requesting to appoint a DRT representative to work with GVB TIR to establish and implement an outreach program
→ Destination Specialist Peredo met with the DRT and discussed the current laws and status of pending legislation regarding short-term vacation rental, guesthouse and B&B
→ Working sessions will begin in January and outreach program to be conducted in February and March 2018
4. ~~Develop list of safety tips/guidelines for car rental companies to review with all customers at every point of sale~~
→ Letter sent to DRT Director on August 29 requesting for a list of car rental companies
5. ~~Overgrown trees along Ypao Road~~
→ Flame tree to be trimmed within the next few weeks
6. ~~Stray dog issue~~
→ Destination Specialist Ada reached out to Mayor Rivera on September 22
→ Mayor Rivera is working with Animal Control Division and the Governor's Office
7. **DMV approved drivers' license for rental cars**
8. **GVB Membership and HAP for food truck vendors**
9. **GIAA free Wi-Fi**
→ Free Wi-Fi is available at GIAA
→ Restricted use for mobile devices or any electronic devices in the Immigrations and Customs Halls, Wi-Fi blocked in these areas
10. **Bus shelter trash bin issue**