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BENJAMIN CRUZ <speaker@senatorbjcruz.com>

GVB Board Packet: May 11, 2017

BENJAMIN CRUZ <speaker@senatorbjcruz.com> Wed, May 10, 2017 at 11:03 AM
To: 34th Guam Legislature Clerks <clerks@guamlegislature.org>
Cc: Rennae Meno <rennae@guamlegislature.org>

5/10/2017	5/10/2017	Guam Visitors Bureau	GVB Board Packet; May 11, 2017.*	34-17-500

[Quoted text hidden]

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OFFICE OF SPEAKER BENJAMIN J.F. CRUZ

Committee on Appropriations and Adjudication

I Mina'trentai Kuattro na Liheslaturan Guåhan

Guam Congress Building | 163 Chalan Santo Papa | Hagatna, GU 96910

T: (671) 477-2520/1 | F: (671) 477-2522 | www.senatorbjcruz.com

GL# 34-17-500
Speaker Benjamin J.F. Cruz

MAY 10 2017
Time: 11:03 AM PM File No.
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6 attachments

- **Agenda_May112017.pdf** 77K
- **Exhibit_A_MINUTES_Apr272017.pdf** 703K
- **Exhibit_B_CASH POSITION_05-08-17.pdf** 24K
- **Exhibit_C_Bill 80-34 Testimony.pdf** 74K
- **Exhibit_D_FY2018Budget_May042017.pdf** 30K
- **Exhibit_E_GCMC Minutes 14April2017.pdf** 1730K

2017 MAY 10 AM 11:10

0500

REGULAR BOARD OF DIRECTORS MEETING
Thursday, May 11, 2017 – 3:30pm
Guam Visitors Bureau Main Conference Room

A G E N D A

I. CALL TO ORDER

II. MINUTES OF THE PREVIOUS MEETING Exhibit A

Approval of minutes of the previous Board of Directors meeting dated April 27, 2017.

III. CHAIRMAN'S REPORT

IV. PRESIDENT & CEO'S REPORT

V. TREASURER'S REPORT Exhibit B

VI. REPORT OF THE BOARD COMMITTEES

A. EXECUTIVE COMMITTEE

TESTIMONY ON BILL 80-34 Exhibit C

Motion to ratify Executive Committee's approval of GVB's testimony on Bill No. 80-34 (COR)- An act to add Section 16136 to Chapter 16, Title 17 all of the Guam Code Annotated, relative to designating the University of Guam as lead agency for climate change and creating and funding the Island Sustainability Outreach and Action (ISOA) Program.

B. CULTURAL & HERITAGE

C. SPORTS & EVENTS

D. ADMINISTRATION & GOV'T RELATIONS

GVB FY2018 BUDGET Exhibit D

Motion to approve GVB's FY2018 budget submission to the Legislature in the amount of $27,510,000 as presented by management.

Issue: Board approval required.

E. DESTINATION MANAGEMENT

F. GREATER CHINA

Committee minutes dated April 14, 2017 Exhibit E

G. JAPAN

H. KOREA

I. MEMBERSHIP & COMMUNITY OUTREACH

J. NORTH AMERICA & PACIFIC MARKETS

K. RESEARCH

L. RUSSIA & NEW MARKETS

M. VISITOR SAFETY & SATISFACTION

VII. OLD BUSINESS

VIII. NEW BUSINESS

IX. EXECUTIVE SESSION

X. ANNOUNCEMENTS

- Guam Live International Music Festival: June 3
- Guam BBQ Block Party: July 1

Upcoming Board Meetings:

- Thursday, May 25, 2017 at 3:30pm, GVB Main Conference Room
- Thursday, June 8, 2017 at 3:30pm, GVB Main Conference Room

XI. ADJOURNMENT

Action Items:

1. VSS Committee to find solution for lighting issue along beaches
   - Lighted sidewalks
   - Lights provided by hotels, but not projected over water

2. Assignment of the Chairperson for the Administration and Government Relations Committee

3. Management to look into drafting rules and regulations for signage in bus shelters

EXHIBIT A

GUAM VISITORS BUREAU
SETBISION BISITAN GUÅHAN

BOARD OF DIRECTORS REGULAR MEETING
Thursday, April 27, 2017 – 3:30pm
Guam Visitors Bureau – Main Conference Room

BOARD OF DIRECTORS PRESENT:

Director Milton Morinaga	Director Bart Jackson
Director Sam Shinohara	Director Robert Hofmann
Director Monte Mesa	Director William Nault
Director Young Hong	Director Satoru Murata

BOARD OF DIRECTORS TELEPHONICALLY:

BOARD OF DIRECTORS ABSENT:

Director Eduardo "Champ" Calvo	Director Tak Takano
Director Brad Kloppenburg	Director Katarina Sgro
Director Theresa Arriola	

GVB MANAGEMENT & STAFF PRESENT:

Antonio Muna	Karida Brennan	Gina Kono
Nico Fujikawa	Nakisha Garrido	Nadine Leon Guerrero
Doris Ada	Regina Nedlic	June Sugawara
Meriza Peredo	Josh Tyquiengco	

GVB MANAGEMENT & STAFF TELEPHONICALLY:

GUESTS:
Joe Mesngon – Senator Dennis Rodriguez's Office

I. CALL TO ORDER

Chairman Morinaga called the meeting of board to order at 3:40pm.

II. MINUTES OF THE PREVIOUS MEETING **Exhibit A**

Director Shinohara made a motion, seconded by Director Jackson, to approve the minutes of the previous board of directors meeting dated April 12, 2017.
Motion unanimously approved (Subject to minor revisions)

III. CHAIRMAN'S REPORT

- Chairman Morinaga reported that Director Nault accepted his appointment as Vice Chairman of the Japan Marketing Committee (JMC). There are now three JMC Vice Chairmen as Japan is currently in a very critical situation and Chairman Morinaga needs their support.

IV. PRESIDENT & CEO'S REPORT

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

- Acting President Muna briefly touched on the upcoming Guam Micronesia Island Fair (GMIF). The opening ceremony will be on May 3 at Chamorro Village.
- The bus shelter project should be completed throughout Tumon in the next month.

- The streetlight project is ongoing but has been delayed due to weather. This project should be completed in July/August.
- Governor Calvo is hosting the Micronesian Islands Forum (MIF). All board members are invited to the MIF dinner reception on Monday at the Guam Museum.

V. TREASURER'S REPORT

Exhibit B

FY 2016

	Appropriation	Received to Date		Balance	
Operations	$ 21,044,191.00	$ 21,044,191.00	100%	$ -	0%
Destination Development	$ 1,235,000.00	$ 1,235,000.00	100%	$ -	0%
Rainy Day Fund	$ 200,000.00	$ 200,000.00	100%	$ -	0%
Cultural & Sports Ambassador Fund	$ 200,000.00	$ 200,000.00	100%	$ -	0%
Pass-Thru	$ 750,000.00	$ 712,500.00	95%	$ 37,500.00	5%
Guam Football Association	$ 400,000.00	$ 400,000.00	100%	$ -	0%
Pilot Program Korean Visitor Market	$ 250,000.00	$ 250,000.00	100%	$ -	0%
FESTPAC	$ 1,300,000.00	$ 1,300,000.00	100%	$ -	0%
Capital Improvement Projects	$ 1,000,000.00	$ 1,000,000.00	100%	$ -	0%
TOTAL	$ 26,379,191.00	$ 26,341,691.00		$ 37,500.00	
TOTAL RECEIVABLES FY 2016				$ 37,500.00	

FY 2017

	Appropriation	Received to Date		Balance	
Operations	$ 21,282,472.00	$ 13,283,871.00	62%	$ 7,998,601.00	38%
Destination Development	$ 1,085,000.00	$ 632,916.67	58%	$ 452,083.33	42%
Rainy Day Fund	$ 200,000.00	$ 116,666.67	58%	$ 83,333.33	42%
Cultural & Sports Ambassador Fund	$ 200,000.00	$ 116,667.67	58%	$ 83,332.33	42%
Pass-Thru	$ 1,085,000.00	$ 755,835.34	70%	$ 329,164.66	30%
TOTAL	$ 23,852,472.00	$ 14,905,957.35		$ 8,946,514.65	
TOTAL RECEIVABLES FY 2017				$ 8,946,514.65	
TOTAL RECEIVABLES				$ 8,984,014.65	

Accounts	
RESTRICTED	
Bank of Guam - Rainy Day Fund	$ 2,201,556.73
Cultural & Sports Ambassador Fund[1]	$ 461,017.67
TOTAL RESTRICTED	$ 2,662,574.40
UNRESTRICTED	
Bank of Guam - Operations	$ 13,648,454.24
First Hawaiian Bank - Membership	$ 116,558.01
Resona	$ 868,420.66
Bank of Guam - TAF	$ 1,373,415.44
Raymond James - CD value as of 03/31/2017[2]	$ 2,534,156.66
TOTAL UNRESTRICTED	$ 18,541,005.01
TOTAL CASH as of 04/24/2017	$ 21,203,579.41

Current Payables	
Asatsu invoices JAN - MAR	$ 1,734,929.53
Japan Invoices	$ 67,928.63
Guam Invoices	$ 312,857.72
Encumbered Contracts	$ 4,073,517.41
Encumbered Purchase Orders	$ 1,888,304.97
TOTAL as of 04/24/2017	$ 8,077,538.26

NOTES

NOTE 1

$461,017.67	Cultural and Sports Ambassador Fund
($5,250.00)	Cultural and Sports Ambassador expenses - reimburse Operations
$455,767.67	

NOTE 2

$1,417,869.34	Morgan Stanley/Raymond James CD
($86,542.00)	Board approved $86,542 on 07/23/15 for Department Revenue & Tax Auditors
($700,000.00)	Board approved $700,000 on 02/25/16 for Pale San Vitores Road Bus Shelter Project
($150,000.00)	Board approved $150,000 on 07/14/16 for Pale San Vitores Road Bus Shelter Project
($50,000.00)	Ex Com approved $50,000 on 04/07/17 for Streetlight Project Management
$431,327.34	

April 24, 2017

- Director Shinohara did not have anything new to report.
- He opened the floor to discuss the FY2018 budget. GVB's budget request is due to Speaker Cruz on May 15. Chairman Morinaga requested for all committee chairs to meet with their respective staff to discuss their budget. He then scheduled a board working session for May 4 where all chairs/staff should be able to justify their budget and give a breakdown to detail how funds will be spent.
- Director Hofmann directed the board to Attachment A: Destination Management Committee FY2018 Annual Maintenance Budget Request. He stated that he met with the mayors and confirmed that they will lobby for item 2 (Island Roadway Maintenance). He suggested that as part of their budget request, DMC includes the amount of work that can be done with different budgets then allow the legislature to pick the budget and corresponding road maintenance work. Vice Chairman Mesa agreed to include this as a supplement. Also under item 2, Vice Chairman Mesa clarified that currently, trash collection and cutting only occur once a month.
- Under item 6 (Holiday Illumination), Vice Chairman Mesa confirmed that the budget includes the Christmas decorations at the Government House. The current budget of $150,000 covers the light park in Tumon. The additional $82,000 will fund the lighting along the medians in Tumon. Lights will be added to medians with high visibility where possible, as some medians do not have electrical capabilities. The team is trying to find a solution for those medians. Director Shinohara asked what is being done to encourage property owners in Tumon to decorate during the holidays. Destination Specialist Doris Ada mentioned that we reach out to them with letters. Director Nault suggested that we start a contest for best holiday decorations. Vice Chairman Mesa said this should be discussed with the Membership and Community Outreach Committee, as this is a membership driven initiative.
- Chairman Morinaga asked who maintains the landscaping surrounding the Chief Quipuha statue in Agana because it needs work. Director Hofmann stated that the National Guard adopted it. Marketing Manager Nadine Leon Guerrero said that she would discuss this with the adjutant general.

Director Hofmann made a motion, seconded by Director Jackson, to accept the Destination Management Committee FY2018 budget as presented by the DMC Chairman in Attachment A.
Motion approved

- Vice Chairman Mesa gave an update on the current DMC projects. As of today, 28 streetlights have been fixed out of the 331 that need repairs. This project should be done in August. Two bus shelters are currently under construction. Barring any weather delays, all shelters should be completed by July.
- Chairman Morinaga suggested that the team develops a list of rules and regulations regarding signage in bus shelters.

VI. REPORT OF THE BOARD COMMITTEES

A. EXECUTIVE COMMITTEE

HUMAN RESOURCES CONSULTANT SERVICES

Vice Chairman Mesa made a motion, seconded by Director Jackson, to ratify Executive Committee's approval to ratify the actions of the President and CEO as Chief Procurement Officer to enter into negotiations and contract with the successful offeror for GVB RFP 2017-001: Human Resources Consultant Services.
Motion approved

Background: The Guam Visitors Bureau (GVB) issued a Request for Proposal (RFP) for a Human Resources Consultant; specifically, to conduct a Human Resource audit; perform a Compensation/Benefits study; review and revise existing job descriptions as needed; design recruiting, selection and orientation programs; review existing human resources infrastructure, make recommendations and strategies for new and improved processes, programs and HR practices; develop performance appraisal process and provide necessary training; identify areas for improvement of Employee Relations; develop an Employee Handbook; provide ongoing HR support and identify local workforce growth, market trends and its correlation to GVB's human resources needs.

Issue: Board approval required.

- Acting President Muna stated that GVB's current employee handbook was adopted by the board of directors in 2001/2002 as an interim policy. The project named in this motion was brought forth by the 2016 board of directors. Director Shinohara added that the current rules and regulations GVB abides by were adopted from the Department of Administration. However, as it was recently determined that GVB employees are not Government of Guam employees, a new set of rules and regulations needs to be set forth to govern employment at GVB.
- Vice Chairman Mesa asked if employees are entitled to go through the Civil Service Commission (CSC) procedure. Acting President Muna said in terms of appeals, yes, but for other reviews by CSC, no.
- Acting President Muna noted that the board will have the opportunity to review the new rules and regulations. Furthermore, as this will be an official policy, the board will have to officially adopt the rules and regulations.
- Chairman Morinaga asked that for all projects moving forward, management shares the contract terms and conditions with the board prior to signing. Acting President Muna stated that we follow the government procurement process. A provision in the law states that procurement cannot be discussed until after a contract is signed. He reassured Chairman Morinaga that the terms and conditions of a contract are laid out in the law so they are standard across all contractors at GVB. A contract period lasts for one year with two options to renew.
- Regarding this particular motion, Acting President Muna reported that this contract has already been signed. Due to an oversight, the motion was not placed on the last board meeting agenda for board approval (this occurred for two other motions on the agenda: Cleaning and Maintenance Services and Tumon Bay Lighting Improvement Project). In order to start paying invoices, the board needs to approve the motion. The board was in agreement that the team needs to make an effort to ensure that this does not happen again. Vice Chairman Mesa feels management should address this oversight internally.
- Director Jackson expressed his concern about sending motions to the Executive Committee when there is no urgency. Chairman Morinaga added that the Executive Committee should not be utilized for motions that are not time sensitive.

B. VISITOR SAFETY & SATISFACTION

VISITOR SAFETY & SATISFACTION

Director Hong made a motion, seconded by Director Hofmann, to approve authorization of the President and CEO as Chief Procurement Officer of GVB to negotiate, and if successful, contract with the highest-ranking qualified Offeror in response to GVB RFP 2016-017, VIP VIDEO PRODUCTION.
Motion approved

Background: The GVB seeks a qualified individual or company to produce video modules that will provide small "bite size" videos of 2-3 minutes that can be made available through an online portal. This will be viewed online via streaming video that will make accessible and convenient for tourism industry employees, many of whom may not have the time and/or resources to attend, in person, classes or to complete multi-year certifications programs due to heavy work schedules, multiple jobs and familial obligations. This library of custom-made tutorial videos and training for employees shall be accessed from a computer, tablet, or smart phone. This approach will also facilitate cost effective remedial training for Guam's 18,000 hospitality workers in a manner that would be nearly impossible to accomplish in a traditional classroom environment.

Additionally, since the purpose of the video modules is educational and instructional, the GVB will expect features that engage learners and facilitate the acquisition of knowledge and skills. Note that target audience may not possess academic qualifications beyond a GED and may not have prior exposure to or experience with computer technology.

The GVB expects that the video modules will follow a coherent design that reflects a consistent framework and establishes a professional yet creative and engaging tone.

Issue: Board approval required.

- This project was started last year. The first phase was the curriculum, which has been completed. This motion is for phase 2 (video production). We are working in tandem with GHRA on this project.

C. CULTURAL & HERITAGE

- Director Hofmann reported that the Guam Micronesia Island Fair (GMIF) begins next week and he encouraged all members to attend.

D. SPORTS & EVENTS

- Acting President Muna reported that we will not be changing the name of the Koko Road Race (KKRR) this year. The event will be held in Agana this year.

E. ADMINISTRATION & GOV'T RELATIONS

CLEANING AND MAINTENANCE SERVICES

Vice Chairman Mesa made a motion, seconded by Director Jackson, to ratify the actions of the President & CEO as Chief Procurement Officer of GVB to enter into a contract with the lowest responsible and responsive bidder for GVB IFB 2017-005 Cleaning and Maintenance Services.
Motion approved

Background: This service is necessary for the cleaning and maintenance of the GVB office, Monday – Saturday; with contingencies for special events and additional requests as needed, subject to GVB approval. Project consists of furnishing all necessary labor, materials, equipment, tools and service, utilizing GVB supplied materials.

Issue: Board approval required.

- As this is an IFB, there was no negotiation step but similar to the Human Resources Consultant Services motion, the contract was signed without board approval.

F. DESTINATION MANAGEMENT

TUMON BAY LIGHTING IMPROVEMENT PROJECT

Vice Chairman Mesa made a motion, seconded by Director Hofmann, to ratify the actions of the President & CEO as Chief Procurement Officer of the Bureau to enter into a contract with the lowest responsible bidder for the Tumon Bay Lighting Improvement Project, Phase II. Project is specifically for major repairs and installation of missing streetlight poles.
Motion approved

Background: San Vitores Road continues to experience inadequate lighting, compromising the safety of our residents and visitors. Phase II Installation will make major repairs to remaining inoperable lights in order to make our streets safer and more enjoyable.

Issue: Board approval required for the Tumon Bay Lighting Improvement Project.

G. GREATER CHINA

TAIWAN MARKET MOTION

Director Shinohara made a motion, seconded by Director Hofmann, to approve travel for GVB Chairman and GVB President & CEO to travel to Taiwan to meet with EVA Air, Kaohsiung City Government officials and participate in GVB sales seminar in Kaohsiung, Taiwan from May 14-18, 2017. Cost is approximately $5,610.00 to be taken from Taiwan market account no. TA-SMD-023.
Motion approved

Airfare	$1,200.00 x 2					$2,400.00
			Lodging	M&IE	Pax	
Per Diem	BOD Chairman President & CEO	Taipei	$212.50 x 4 nights = $850.00	$127.50 x 4 days = $510.00	2	$2,720.00
		Kaohsiung	$150.00 x 1 night	$95.00 x 1 day	2	$490.00
					TOTAL:	$5,610.00

Background: As part of GVB's ongoing efforts to lobby for direct air service from Kaohsiung to Guam, GVB has enlisted the services of the American Institute of Taiwan's Gold Key Service to arrange high-level meetings with Kaohsiung City Government officials and aviation entities to continue its push. GVB in cooperation with AIT will also host a Guam Product Seminar to elevate awareness. Taiwan is Guam's third largest market with two airlines servicing the Guam route out of Taipei (China Airlines and EVA Air). There is great potential to reach market share from southern Taiwan however, due to the inconvenient flight structure with both airlines, it is a challenge to attract Guam from this region. Having direct service would certainly create more opportunities in Taiwan.

In addition, there is market Intel that EVA Air has plans to discontinue service to its Guam route that GVB is currently monitoring. While there is no confirmation yet, GVB is setting plans to engage in efforts to prevent this from happening. This travel authorization is therefore critical for this endeavor.

Issue: Board approval needed for all travel.

H. JAPAN

Committee minutes dated April 11, 2017 **Exhibit C**

- Director Murata reported that the next JMC meeting will be on May 9.
- He then reported on the United Airlines Kansai flight schedule change. There is no change to the Guam to Kansai morning flight. For the evening flight, there will be a change on four days out of the week. On those days, the departure time out of Guam will be at 3am. The departure time out of Kansai will be at 7am. Chairman Morinaga is concerned that those who live outside of Osaka will have a difficult time getting to their airport that early in the morning if they rely solely on public transportation. Director Shinohara said he would provide an update to the board at a later time.
- Vice Chairman Mesa said this is something that needs to be considered when discussing the FY2018 budget for Japan. He feels that we need to work with all airlines with flights from Japan to Guam to find solutions. He is even more concerned now because we are being recognized with the President's "E" Award for the work we have done as part of the Tourism 2020 plan, but we are below our target arrivals for Japan that was set forth in that plan. Chairman Morinaga reassured Vice Chairman Mesa that he is taking the Japan situation very seriously. Director Jackson stressed that this is not a GVB problem, this is a team Guam problem. This is not a problem that GVB can resolve alone. GVB, GIAA, and GEDA need to work together and take a comprehensive approach to win back the Japan market.

I. KOREA

Committee minutes dated April 11, 2017 **Exhibit D**

- Vice Chairman Mesa feels we need to be conscientious about the current events in Korea and globally. Director Shinohara stated that the FAA and airlines for America put out a call for action plans in case something happens. There is potential to shut down air travel but that is contingent upon what happens and when it happens.

J. MEMBERSHIP & COMMUNITY OUTREACH

K. NORTH AMERICA & PACIFIC MARKETS

Committee minutes dated April 5, 2017 **Exhibit E**

Director Hofmann made a motion, seconded by Director Jackson, to approve travel for the GVB President and CEO and Director of Global Marketing to attend the 2017 President's "E" Award Ceremony in Washington DC from May 20 – 23, 2017. Travel cost is approximately $11,500.00; Acct. #US-SMD023)

- Vice Chairman Mesa stressed that we need to prioritize our work here first. There are other issues that may need immediate attention. He suggested amending the motion in the event that the President & CEO is not able to attend.

Director Hofmann made a motion, seconded by Vice Chairman Mesa, to amend the aforementioned motion as follows:

Motion to approve travel for the GVB President and CEO or his designee and Director of Global Marketing to attend the 2017 President's "E" Award Ceremony in Washington DC from May 20 – 23, 2017. Travel cost is approximately $11,500.00; Acct. #US-SMD023)

Motion passed as stated and amended

Airfare ($4,000 x 2 pax)	$8,000.00
President & CEO Lodging ($242 + 25% x 4 nights)	$1,210.00
President & CEO M&IE ($69 + 25% x 5 days)	$431.25
Dir. of Global Marketing Lodging ($242 x 4 nights)	$968.00
Dir. of Global Marketing M&IE ($69 x 5 days)	$345.00
Miscellaneous (transportation, communication, excess baggage, etc.)	$545.75
TOTAL	$11,500.00

Background: The Guam Visitors Bureau (GVB) has been selected to receive the prestigious President's "E" Award. The award was created by Executive Order of the President of the United States to afford suitable recognition to persons, firms, or organizations, which contribute significantly in the effort to increase United States exports.

GVB is one of a few who have been selected to receive the President's "E" Award. This year, thirty-two companies and organizations have been selected to receive the President's "E" Awards and "E" Star Awards for Exports and Export Service.

U.S. Secretary of Commerce, Mr. Wilbur Ross, stated on his award letter to GVB on March 28, 2017, "The Guam Visitors Bureau has demonstrated a sustained commitment to export expansion. The 'E' Awards Committee was very impressed with the Guam Visitors Bureau's Tourism 2020 strategic plan development and engagement, which resulted in exceptional year-over-year growth in tourism to Guam. The organization's innovative and broad-reaching program to capture larger segments of the Chinese tourism market was also particularly notable. The Guam Visitors Bureau's achievements have undoubtedly contributed to national export expansion efforts that support the U.S. economy and create American job."

The ceremony will involve a reception on Sunday, May 21, 2017 followed by the formal ceremony on Monday, May 22, 2017 at the Department of Commerce Headquarters, Herbert C. Hoover Building in Washington DC.

Issue: Board approval required.

L. **RESEARCH**

M. **RUSSIA & NEW MARKETS**

Committee minutes dated April 4, 2017 **Exhibit F**

VII. OLD BUSINESS

VIII. NEW BUSINESS

IX. EXECUTIVE SESSION

X. ANNOUNCEMENTS

Upcoming Board Meetings:

- Thursday, May 11, 2017 at 3:30pm, GVB Main Conference Room
- Thursday, May 25, 2017 at 3:30pm, GVB Main Conference Room

Announcements:

XI. ADJOURNMENT

Director Shinohara made a motion, seconded by Director Hofmann, to adjourn the meeting. Meeting adjourned at 5:00pm.
Motion unanimously approved

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

Board Minutes respectively submitted by Karida Brennan, Executive Secretary

Action Items:

1. VSS Committee to find solution for lighting issue along beaches
   - Lighted sidewalks
   - Lights provided by hotels, but not projected over water

2. Assignment of the Chairperson for the Administration and Government Relations Committee

3. Management to look into drafting rules and regulations for signage in bus shelters

that growth. For the last three years, GVB has been given a roll over budget and we did the best with what we had to increase economic activity on Guam. However, additional investments into attracting new air service and improving our island's infrastructure are needed to ensure a sustainable and thriving tourism industry.

We appreciate the support you have given to GVB and to tourism, and we thank you for allowing us to testify on Bill 80-34.

Senseramente',

JON NATHAN DENIGHT
PRESIDENT & CEO

CC: All Senators of the 34th Guam Legislature

FY 2016

	Appropriation	Received to Date		Balance	
Operations	**$ 21,044,191.00**	**$ 21,044,191.00**	**100%**	**$ -**	**0%**
Destination Development	**$ 1,235,000.00**	**$ 1,235,000.00**	**100%**	**$ -**	**0%**
Rainy Day Fund	$ 200,000.00	$ 200,000.00	100%	$ -	0%
Cultural & Sports Ambassador Fund	$ 200,000.00	$ 200,000.00	100%	$ -	0%
Pass-Thru	$ 750,000.00	$ 712,500.00	95%	$ 37,500.00	5%
Guam Football Association	$ 400,000.00	$ 400,000.00	100%	$ -	0%
Pilot Program Korean Visitor Market	$ 250,000.00	$ 250,000.00	100%	$ -	0%
FESTPAC	$ 1,300,000.00	$ 1,300,000.00	100%	$ -	0%
Capital Improvement Projects	$ 1,000,000.00	$ 1,000,000.00	100%	$ -	0%
TOTAL	**$ 26,379,191.00**	**$ 26,341,691.00**		**$ 37,500.00**	
TOTAL RECEIVABLES FY 2016				**$ 37,500.00**	

FY 2017

	Appropriation	Received to Date		Balance	
Operations	**$ 21,282,472.00**	**$ 13,283,871.00**	**62%**	**$ 7,998,601.00**	**38%**
Destination Development	**$ 1,085,000.00**	**$ 632,916.67**	**58%**	**$ 452,083.33**	**42%**
Rainy Day Fund	$ 200,000.00	$ 116,666.67	58%	$ 83,333.33	42%
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Pass-Thru	$ 1,085,000.00	$ 755,835.34	70%	$ 329,164.66	30%
TOTAL	**$ 23,852,472.00**	**$ 14,905,957.35**		**$ 8,946,514.65**	
TOTAL RECEIVABLES FY 2017				**$ 8,946,514.65**	
TOTAL RECEIVABLES				**$ 8,984,014.65**	

Accounts

RESTRICTED

Bank of Guam - Rainy Day Fund	$ 2,201,556.73
Cultural & Sports Ambassador Fund[1]	$ 461,017.67
TOTAL RESTRICTED	**$ 2,662,574.40**

UNRESTRICTED

Bank of Guam - Operations	$ 14,391,961.24
First Hawaiian Bank - Membership	$ 116,182.03
Resona	$ 702,890.91
Bank of Guam - TAF	$ 1,306,054.26
Raymond James - CD value as of 03/31/2017[2]	$ 2,534,156.66
TOTAL UNRESTRICTED	**$ 19,051,245.10**
TOTAL CASH as of 05/08/2017	**$ 21,713,819.50**

Current Payables

Asatsu invoices JAN - MAR	$ 1,734,929.53
Japan Invoices	$ 31,894.79
Guam Invoices	$ 287,958.07
Encumbered Contracts	$ 3,901,113.02
Encumbered Purchase Orders	$ 200,930.41
TOTAL as of 05/08/2017	**$ 6,156,825.82**

NOTES

NOTE 1

$461,017.67	Cultural and Sports Ambassador Fund
($6,250.00)	Cultural and Sports Ambassador expenses - reimburse Operations
$454,767.67	

NOTE 2

$1,417,869.34	Morgan Stanley/Raymond James CD
($86,542.00)	Board approved $86,542 on 07/23/15 for Department Revenue & Tax Auditors
($700,000.00)	Board approved $700,000 on 02/25/16 for Pale San Vitores Road Bus Shelter Project
($150,000.00)	Board approved $150,000 on 07/14/16 for Pale San Vitores Road Bus Shelter Project
($50,000.00)	Ex Com approved $50,000 on 04/07/17 for Streetlight Project Management
($142,528.00)	Board approved $142,528 on 4/12/17 for VSS Supplemental Budget Request
$288,799.34	

GVB FY2018 Budget Breakdown as of 05.04.17

	Final FY 2015 ACTUAL	FY2016 ACTUAL	FY2017 REQUEST	FY2017 ACTUAL	FY2018 REQUEST	NOTES
Administration	**3,200,000**	3,225,000	3,600,000	3,600,000	3,850,000	Increase due to increments, COLA, retirement. Does not include implementation of Hybrid Retirement Plan.
Marketing						
Japan	7,000,000	**7,500,000**	8,000,000	**7,500,000**	8,500,000	Increase for Airline Charter Incentive.
Korea	1,900,000	2,100,000	2,100,000	2,200,000	4,000,000	Increase for additional marketing activities to support & maintain air seat capacity
Taiwan	386,400	390,000	500,000	390,000	500,000	Support daytime flights and to add second gateway.
Pac/Micro/Aus/Eur	120,000	180,000	200,000	180,000	200,000	Support new airline servicing pacific (Air Nauru) and additional regional work.
U.S./North America	220,000	250,000	250,000	250,000	250,000	
China	1,900,000	1,930,000	2,000,000	1,900,000	2,000,000	Build air seat capacity and to increase sales from Mainland China with OTA's.
Russia	557,000	350,000	350,000	250,000	250,000	
Hong Kong	215,000	212,191	250,000	212,000	300,000	Supportincreased marketing and carriers servicing HK & Guam.
Philippines	212,000	267,000	300,000	267,000	300,000	Support the three air carriers servicing the market.
Branding	470,000	500,000	450,000	500,000	500,000	
Social Media Support	290,000	340,000	375,000	340,000	375,000	Utilize digital tools available for MICE and expand ShopGuam.
Global Website	330,000	300,000	330,000	300,000	330,000	
Printing Promotion	316,600	300,000	300,000	300,000	300,000	
TOTAL MARKETING	**13,917,000**	14,619,191	15,405,000	14,589,000	17,805,000	
Research	448,000	600,000	600,000	600,000	600,000	
Sports & Events	850,000	850,000	1,350,000	850,000	1,250,000	
Cultural and Heritage (Formerly CHaCo)	750,000	800,000	850,000	750,000	900,000	Increased to include Village Festivals.
Visitor Safety and Satisfaction	950,000	950,000	1,150,000	888,472	1,405,000	Increase to VSO & Welcome Center.
TOTAL NON-MARKETING	2,998,000	3,200,000	3,950,000	3,088,472	4,155,000	
TOTAL OPERATIONS BUDGET	**20,115,000**	**21,044,191**	**22,955,000**	**21,277,472**	**25,810,000**	
TAF Special Projects-Destination Maintenance						
Destination Maintenance	**1,085,000**	1,235,000	1,906,000	1,085,000	1,700,000	Increase to Island Road Maintenanance & adding Hardscape Projects.
TOTAL GVB Operations BUDGET	**21,200,000**	22,279,191	24,861,000	22,362,472	27,510,000	23% increase over FY17 budget.

I. CALL TO ORDER

At this juncture, Mr. Clifford Guzman presented an update on GVB's Destination Management (DM) Committee's Tourism District Improvement Program (TDIP). Its mission, "to identify destination management projects and programs that will enhance the visitor experience and improve the quality of life of residents." Mission goals covered:

- Infrastructure maintenance and improvements (to address Tumon Redevelopment Plans that were never fully completed)
- Streetscape improvements
- Landscaping and park improvements
- Other improvements (signage, hand billing graffiti, visitor safety & security, lighting)
- Business Improvement District (to create an association of property owners along San Vitores Boulevard)

Bottom line is there is not enough money to take care of all the problems but the Governor is looking at a hot bond to fund some of these projects. Today's presentation is available to committee members all are encouraged to provide feedback or ideas but the DM committee must prioritize all its mission goals by the end of April.

II. REPORT OF THE CHAIRMAN

Chairman Shinohara officially called the meeting to order at 11:15AM.

Chairman Shinohara commented that a lot of things are happening at the marketplace such as the recent United Guam Marathon that drew 4,335 participants this past weekend. About half represents off-island participants. The Greater China markets brought in 342 participants [42-China; 162-HK; 132-Taiwan]. There is a lot of opportunity and potential to grow this event internationally. United Airlines owns the branding rights to the event but the efforts from the organizer, Guam Sports Events and PIC were phenomenal. There was also a lot of good media coverage both locally and internationally with great feedback. The Chairman thanked everyone for all the support extended.

III. REPORT OF GVB MANAGEMENT

Visitor Arrivals Update

Market	CYTD 2016 Jan – Mar 31, 2016	CYTD 2017 Jan – Mar 31, 2017	% of diff.	FYTD 2016 Oct – Mar 31, 2016	FYTD 2017 Oct – Mar 31, 2017	% of diff.
Hong Kong	2,155	5,659	162.6%	4,674	9,157	95.9%
Taiwan	11,724	10,313	-12.0%	20,750	20,034	-3.5%
China, P.R.C.	9,898	7,759	-21.6%	14,543	13,146	-9.6%

Note: February 2016/7 daily arrivals reflect Civilian Air arrivals only. Source: Guam Customs Declaration Forms, Customs & Quarantine Agency. Processed by the GVB. P Preliminary

- Visitor Arrivals Update

March 2017
Preliminary Visitor Arrivals — Total: 140,662 (+5.5%)

% Market Mix	Origin	Pax	% to LY
0.9%	China	1,330	-3.9%
50.7%	Japan	71,384	-9.9%
36.5%	Korea	51,390	49.2%
1.4%	Hong Kong	1,924	103.8%
2.6%	Taiwan	2,853	-12.3%
4.5%	US/Hawaii	6,348	-2.4%
0.9%	Philippines	1,284	-38.3%

GUAM VISITORS BUREAU

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

Calendar Year to Date 2017
January-March 2017 — Total: 410,131 (+1.3%)

% Market Mix	Origin	Pax	% to LY
1.9%	China	7,766	-21.6%
44.6%	Japan	182,777	-14.5%
38.7%	Korea	158,912	27.3%
1.4%	Hong Kong	5,659	162.6%
2.5%	Taiwan	10,313	-12.0%
4.9%	US/Hawaii	20,100	5.1%
0.9%	Philippines	3,837	2.6%

GUAM VISITORS BUREAU

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

Fiscal Year to Date 2017

October 2016 - March 2017 Total: 801,060 (+3.8%)

% Market Mix	Origin	Pax	% to LY
1.6%	China	13,153	-9.6%
45.5%	Japan	364,377	-9.5%
38.8%	Korea	310,918	23.7%
1.1%	Hong Kong	9,157	95.9%
2.5%	Taiwan	20,034	-3.5%
4.7%	US/Hawaii	38,001	5.4%
1.4%	Philippines	10,864	39.0%

GUAM VISITORS BUREAU

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

Month to Date 2017

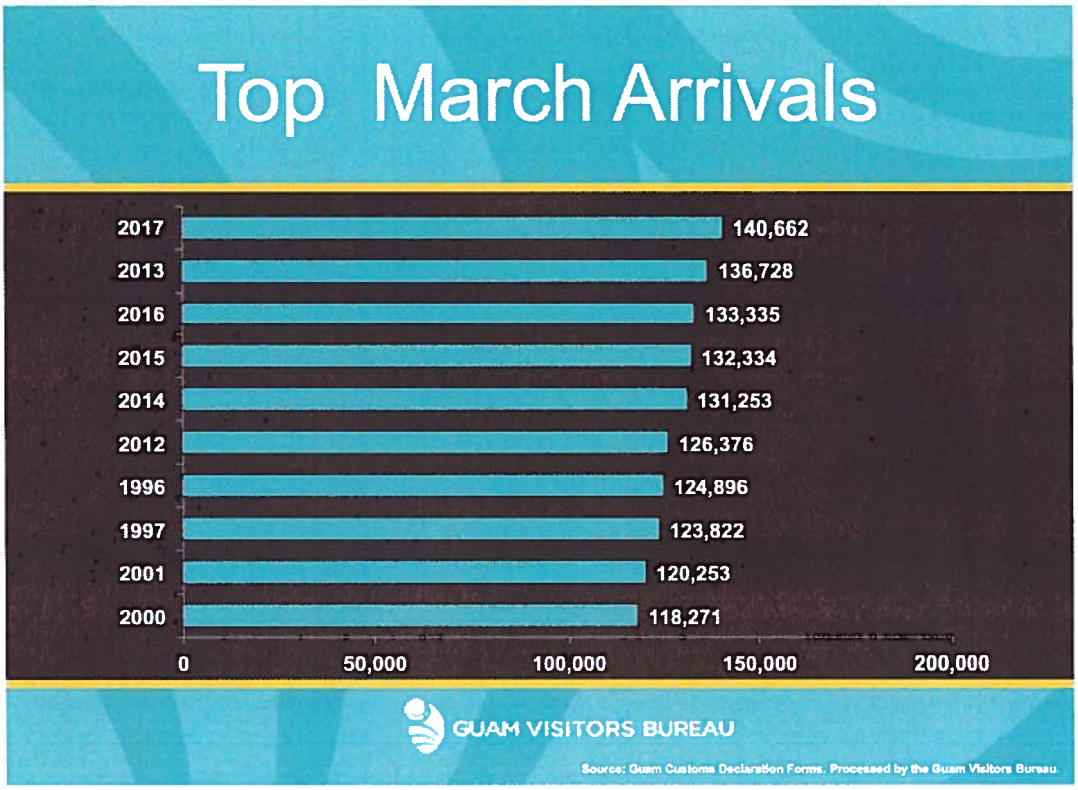
April 1 - 11, 2017 Total: 44,847 (12.9%)

% Market Mix	Origin	Pax	% to LY
1.4%	China	644	-15.4%
44.2%	Japan	19,831	2.6%
40.3%	Korea	18,093	28.1%
1.6%	Hong Kong	702	134.8%
2.7%	Taiwan	1,228	3.9%
5.9%	US/Hawaii	2,176	5.8%
1.8%	Philippines	787	33.2%

GUAM VISITORS BUREAU

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

Note: April 2017 daily arrivals reflect Civilian Air arrivals only.



IV. Greater China Marketing News

- Taiwan [Reported telephonically by GVB Taiwan Marketing Representative Gennie Yen]
  - 3-Month Review



3 month Review

Month	Forecast Pax	Actual Seats
Jan.	3,777	3,850
Feb.	3,987	3,610
Mar.	3,693	2,853

The low arrival in March is because March is part of the low travel season in Taiwan and the fact that we did not realize that there were advertising and incentive programs for elder, student, and businesses last year and none this year. Thus, the arrival number for March was not as expected.

✓The decline in February is due to the decrease of additional flight in CNY.
Please refer to the comparison as below:

2017 CNY extra flight

Airlines	Date	Seats
China Airlines	27th Jan (arrives on Jan. 28)	305
	31st Jan. (arrives on Feb.1).	155
EVA Air	N/A	N/A

2016 CNY extra flight

Airlines	Date	Seats
China Airlines	5th Feb. 9th Feb	301
EVA Air	3rd Feb. 7th Feb. 11th Feb.	252

In addition, there is a decrease in Feb. when comparing to the same period in 2016 since 2016 CNY Holiday was in Feb., and 2017 CNY starts from Jan.

Discussion
GVB Taiwan Marketing Representative Gennie Yen reported there is information that EVA Air may be terminating its Guam route in June. This speculation comes from the travel agents, as they are not able to book MICE groups in June through EVA Air. Also, GVB is developing plans to support EVA Air's anticipated daytime flight change but they had has asked GVB to suspend these plans until further notice. This news comes as a big surprise as recently EVA Air just announced it would change its flight structure to daytime flights.

It is believed the reasons for termination may be due to:
1) EVA may be transferring some carriers to the China route;
2) Although their load factors is not poor, their business results may not be up to their satisfaction

There is no official confirmation from EVA Air as of now but the airlines will be meeting this week and so GVB Taiwan will monitor the situation and update GVB headquarters as soon as any news is received.

- 3-Month Forecast



3 Month Forecast

Month	Forecast Pax	Last Year	%Change	Seat Forecast '17	Seat Data '16	% Change Seats
April	3,385	2,587	30.1%	6,155	4,651	32.3%
May	3,682	3,512	4.8%	5,845	5,058	15.6%
June	2,876	3,848	-25.2%	4,107	4,903	-16.2%

Flights

April
Taipei
- China Airlines : 5 per week = 3,410 (B737-800,738)
- EVA Airways : 2 per week = 2,745 (A330-200,332 & A330-300, 333)

Total 6,155

May
Taipei
- China Airlines : 4-5 per week = 3,100 (B737-800,738)
- EVA Airways : 2 per week = 2,745 (A330-200,332 & A330-300, 333)

Total 5,845

June
Taipei
- China Airlines : 4 per week = 2,635 (B737-800,738)
- EVA Airways : 2 per week = 1,472 (Airplane A321-200)

Total 4,107

- New Flight Schedule

New Flight Schedule

✓ **China Airlines will cancel the Sunday service 14th May, while the Sunday flight departing on 28th May will remain the same.**

Tue	Wed	Fri	Sat
CI026 07:20 TPE | 13:15 GUM	CI026 08:20 TPE | 14:15 GUM	CI026 07:20 TPE | 13:15 GUM	CI026 07:55 TPE | 13:50 GUM
CI025 14:45 GUM | 16:35 TPE	CI025 15:35 GUM| 17:25 TPE	CI025 14:45 GUM | 16:35 TPE	CI025 15:40 GUM | 17:30 TPE

☐ Due to the China flight adjustments, the Sunday service flight by China Airlines was rescheduled to fly to China instead of Guam.

✓ **We received a note that EVA asked us to discontinue the joint promotion plan for EVA Air daytime flight. After inquiry on phone on April 13, we got information that they may even cancel the line of Guam/Taipei in early June, but no formal announcement yet.**

- UGM Promotion

Taiwan Marketing Review

UGM promotion

- Date: December-April
- Final numbers from Taiwan who registered: 135
- Held a media briefing with Taiwan R.O.C. Association of Ultrarunners on Dec 15th
- Co-op with Mizuno for cross industry marketing program
- Participated in the iconic marathon Expo & seminar around Taiwan
- Invited UDN, China Times, Sportsnote and FTV to participate in UGM media fam tour. Reporters from UDN, Sportsnote finished half marathon and anchor from FTV registered 5K race.
- Emmie Ries, the model who are known as the "Road Race Goddess" in Taiwan also participated in half marathon. The news story about her experience created good exposure for UGM.






-

Taiwan Marketing Review

UGM promotion media exposure



- SMS Cormoran II 100th Anniversary

Taiwan Marketing Review

SMS II CORMORAN 100th Anniversary

- Date: April
- FTV attended the memorial ceremony on Apr 7th and reporters from UDN, China Times and Sportnote attended the historical lecture on 10th Apr.



- iRobot Campaign

Taiwan Marketing Review

iRobot X Guam Mother's Day Campaign

- Date: Mar. – the middle of May
- Organize Mother's day campaign during the middle of April- the middle of May (kick off in March), targeting family tours and promoting tourism during the low season by launching popular and fancy incentive program.
- Generate exposures of Guam and lift the brand awareness of each other by cross-industry collaboration
- Advertising on Liberty Times & FB





↑AD on Liberty Times



↑Travel agent's webpage

- Kaohsiung International Travel Fair (KITF)

Taiwan Marketing News

Kaohsiung International Travel Fair (KITF) Preparation

- KITF 2017 will be held at Kaohsiung Exhibition Center from May 19th to 22nd . GVB will have 3 booths and invite travel agents to join the Guam booth for promoting Guam package.
- GVB Taiwan Office is preparing for:
  - Booth design draft (Awaiting for GVB's final approval)
  - Itinerary arrangement
  - PR/Incentive promotions



Discussion

- Ms. Laguana advised that GVB has been lobbying for direct air service from Kaohsiung. GVB will be meeting with the Kaohsiung Mayor's office as well as travel agencies to bring more awareness about Guam and to garner support. The U.S. Commercial Services is also assisting GVB in this effort. Discussions have already taken place with China Airlines but their issue is there is no aircraft available to service this route but there are other possibilities. There is a lot of economic activity in southern Taiwan and particularly in Kaohsiung, so there is great potential for this opportunity.

- Hong Kong [Reported telephonically by GVB Hong Kong Representative Stephen Petith]
  - 3-Month Visitor Forecast

Hong Kong Marketing News

3 Month Visitor Forecast

Month	Forecast Pax	Last Year	%Change	Seat Forecast '17	Seat Data '16	% Change Seats
Apr	1136	598	+90%	5117	2,822	+81%
May	1355	616	+120%	5117	2,822	+81%
Jun	1117	604	+85%	5117	2,822	+81%

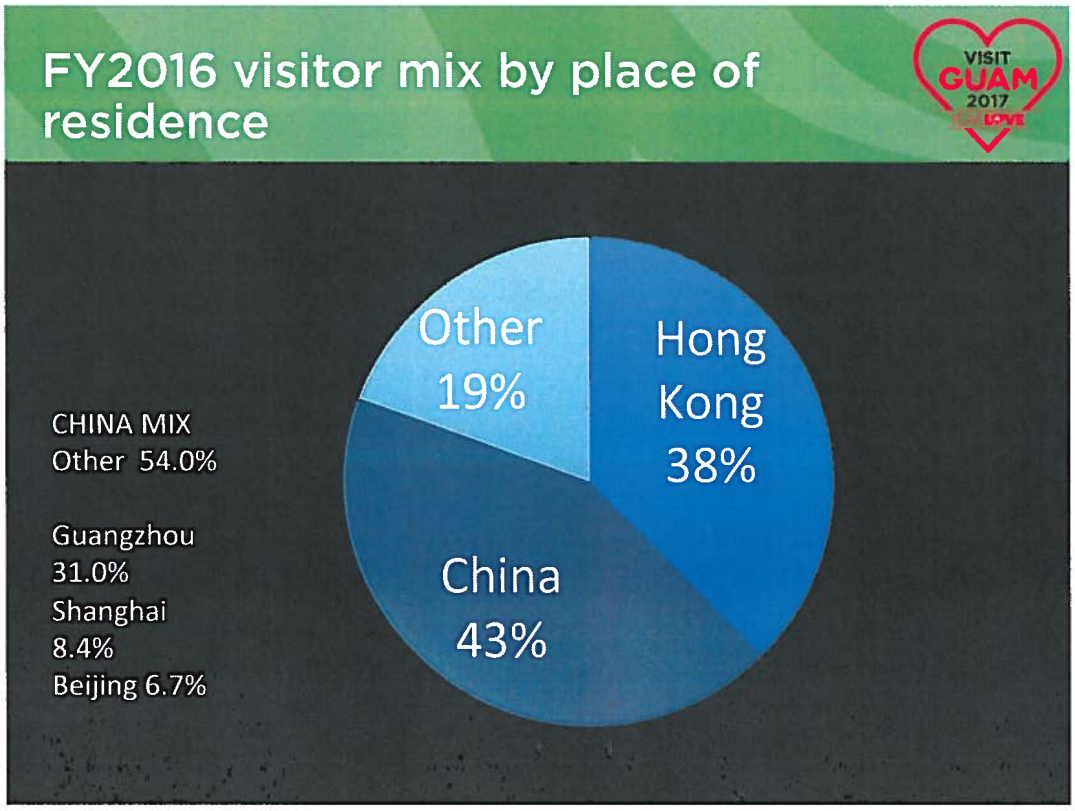
Air Capacity HKG - GUM					
April		**May**		**June**	
Airline	United	**Airline**	United	**Airline**	United
Aircraft	Boeing 737-800	**Aircraft**	Boeing 737-800	**Aircraft**	Boeing 737-800
Seats	2822 (4 flights per week)	**Seats**	2822 (4 flights per week)	**Seats**	2822 (4 flights per week)
Airline	HK Express	**Airline**	HK Express	**Airline**	HK Express
Aircraft	Airbus 320	**Aircraft**	Airbus 320	**Aircraft**	Airbus 320
Seats	2295 (3 flights per week)	**Seats**	2295 (3 flights per week)	**Seats**	2295 (3 flights per week)

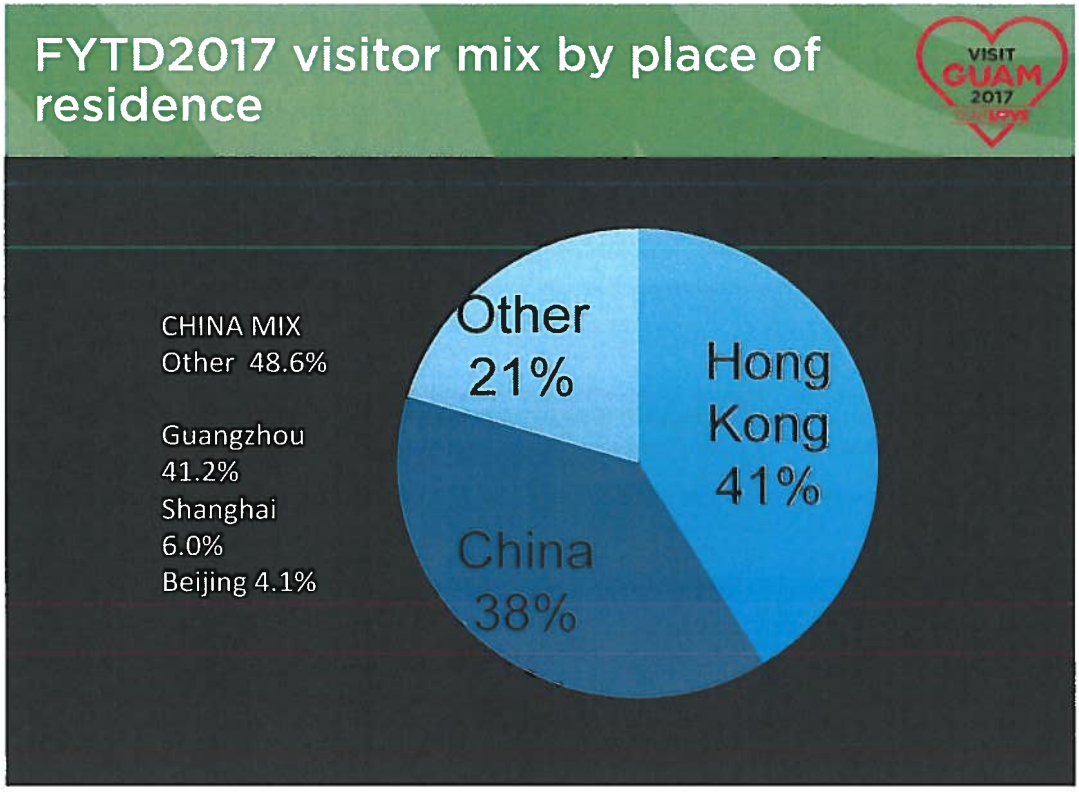
- 3-month Visitor Comparison

Hong Kong Marketing News

3 Month Visitor Comparison

2017	Forecast			Actuals		
Month	Forecast Pax	Last Year	%Change	Actual Pax	Last Year	% Change
Jan	680	529	+28%	2047	529	+287%
Feb	1227	682	+80%	1688	682	+148%
Mar	1380	920	+50%	1811	920	+97%





Discussion

- Mr. Petith stated HK Express reduced flights to 3 per week but there are still strong numbers going forward. Also, change in HKE flight frequency and its returning Hong Kong flight schedule change at an awkward time should not affect bookings.
- Ms. Law-Byerly commented she received information for Hong Kong Express Guam Station Manager that about 50% of the passengers arriving from HK are southern Chinese nationals and so it is her observation that Chinese visitor numbers should be more robust. Based on GVB's weekly arrival data being reported, Hong Kong is seeing 3-digit percentage increases from Hong Kong while China is in the negative, so these data doesn't seem realistic based on the information she received.
- Mr. Petith comment that he does know that Hong Kong Express' marketing saturates the Pearl River Dela region and HKE uses that as a feeder for all their routes out of Hong Kong.
- Ms. Law-Byerly commented those arrivals should then count as China and that China numbers should be higher based on statistics being captured.
- Per Ms. Cid-Cruz, GVB Director of Tourism Research, a cursory review was conducted specific to United Airlines HK flight and based on the visitor mix in FY2016, the bulk of those passengers arriving from Hong Kong comes from southern China. Southern China areas go into HK then connect to Guam via Hong Kong. Same pattern reflects in FY2017. As this data is broken down further, what is being seen in terms of load factor, there is a 14-16% passenger load of visitors that actually remain on Guam. The bulk of the passengers that makes up 50-64% of the load would be classified as transit passengers. They are not counted as visitor arrivals.
- She further explained that the Guam custom forms specifically asks for passengers place of residence so GVB can capture if the visitor is of Hong Kong or Chinese national. In this case southern Chinese nationals coming from the Pearl River Delta area would check "Other" under China category.
- Chairman Shinohara questioned if these numbers influence how we spend our marketing dollars in Hong Kong?
- Ms. Laguaña, GVB Director of Global Marketing explained that GVB marketing dollars allocated to each market is spent only in that market. However, when GVB does advertising or social media it spreads throughout that whole region and so a lot of people in Pearl River Delta that comes into HK so frequently, even on a daily basis for work or other reasons, it's hard to close

that door and say this is isolated in terms of reach and exposure. But to Ms. Law-Byerly's point, those travelers from the southern China or Pearl River Delta, should those passengers actually be counted as China arrivals but coming thru Hong Kong. Shall we thenclassify these as transit?

- Chairman Shinohara stated that since the data presented by the Research department used UA's profile, he requested GVB Research to breakdown this report even further to include Hong Kong Express profile.
- Ms. Cid-Cruz advised that at the next GCMC meeting, GVB Research would provide monthly visitor profiles, key performance indicators, air seat capacity and load factors in aggregate.

- Media Fam: SMS Cormoran II and United Guam Marathon

Hong Kong Marketing News

VISIT GUAM 2017

SMS Cormoran II - Dive Seminar & FAM Tour

Dive Seminar
- Date: Mar 4, 2017 / 9:30 – 11:00, Venue: Hyatt Regency TST
- Diving agent introduction to sales incentive campaign and update on Guam's diving market.
- Cost USD $2,500

FAM Tour (UGM & SMS Cormoran II)
- Date: April 5 - 10, 2017
- Media: 4 x Independent, 1 x Production Crew, 1 x TV crew)
- Cost USD $10,000
- Expected Exposure: USD $227,000





- UGM Promotions

Hong Kong Marketing News

UGM Promotions – 160+ Pax

- Social Media Promotions
  - Run over 6 months
  - Majority of booking (100Pax+)
- Sponsored the Shek Kong Running Race
  - Dec event
- Maywood Travel joint promotion
  - 30 Pax
- Joint Promotion direct with Running Clubs
  - AustSports Association
  - Chi Running Greater China
  - HK Sports for Life
  - 35 Pax
- SportsSoho
  - Website promotion (free entry)
  - 50 pax
- United Vacations Promotion











- China [Presented by Grace and Steffi]
  - 3-Month Visitor Forecast

China Marketing News

3 Month Airlift Forecast

Month	Forecast Pax	Last Year	%Change	Seat Forecast '17	Seat Data '16	% Change Seats
April	1883	1611	24.2%	3766	4656	-19.1%
May	1948	1484	31.3%	4148	4014	3.3%
June	2133	1906	11.9%	4266	4014	6.3%

April

Shanghai UA : 2 flights per week =1062
(B737-700)

Nationwide
KE, estimated 1500 seats per month (A330-300)

Hong Kong
-UA:4 flights per week=664
(A737-88)
-U0:3 flights per week=540
(A320)

May

Shanghai UA : 2 flights per week =944
(B737-700)

Nationwide
KE, estimated 2000 seats per month (A330-300)

Hong Kong
-UA:4 flights per week=664
(A737-88)
-U0:3 flights per week=540
(A320)

June

Shanghai UA : 2 flights per week =1062
(B737-700)

Nationwide
KE, estimated 2000 seats per month (A330-300)

Hong Kong
-UA:4 flights per week=664
(A737-88)
-U0:3 flights per week=540
(A320)

- U.S. Commercial Services (USCS) Tourism Working Group Meeting

China Marketing News

U.S. Commercial Service (USCS) Tourism Working Group Meeting

- **Dates: March 16th**
- **Investment: $400 for year-round meeting**
- **GVB Shanghai rep attended the meeting**
- **Both U.S. Commercial Service and trade participants shared recent events**
- **Would work on a plan of promoting several travel products lead by USCS.**



- Product Launching Conference (Guangdong Nanhu International Travel)

China Marketing News

Product Launching Conference for Theme Products of #Taiji# by Guangdong Nanhu International Travel

- **Dates: Mar 27, 2017**
- **Investment: Marketing collaterals**
- **GVB Guangzhou attended the Product Launching Event of #Theme Products of Taiji#**
- **Participants: 3 U.S. visitors bureaus, 30 consumer geusts,10 media from local Newspaper and TV Media and Representative China office for Overseas Visitor Bureau in Guangzhou were invited. GVB was one of it .**
- **GVB Guangzhou sponsored 2 souvenirs for Q & A.**





- Joint Promotion with Alitrip-Fliggy

China Marketing News

Joint Promotion with Alitrip-Fliggy

- **Dates: Mar 27-Sep 30 , 2017**
- **Investment: 220,000 USD (1.5 million CNY)**
- **GVB is building up the Guam Flagship Store on Fliggy now. GVB plans to join the summer hot sale on Fliggy and promote star products from key sellers online. The Guam Flagship Store is estimated to launch in May.**

- **Timeline：**

Guam page building up (Mar.-Apr.)

Online event marketing campaign (May)

Summer hot sales campaign on Ali platform (June)

Post campaign promotion (July-Aug)



- Joint Promotion with Korean Air-FY2017

China Marketing News

Joint Promotion with Korean Air-FY2017

- **Dates: Apr 1, 2017**
- **Investment: USD 12,800**
- **GVB joint promotion with Korean Air has launched on KE official website, mobile site, APP and flagship store on Fliggy and Qunar. Event banner is promoted on the homepage of Korean Air Chinese site.**



- Media Fam: SMS Cormoran and United Guam Marathon

China Marketing News

VISIT GUAM 2017

China SMS Cormoran II & UGM FAM

- **Dates: April 5-10, 2017**
- **Participants: 4 Media + 1 Agent**
- **Investment: USD 28,501**
- **Expected Exposure Value: Over USD$ 510,000**
- **Highlights of itinerary:**
  100th Anniversary of SMS Cormoran II
  United Guam Marathon
  Open Water Dive Experience
  Hiking Experience
  The Valley of the Latte Boat Tour



China Marketing News

VISIT GUAM 2017

China SMS Cormoran II & UGM FAM







- **Weibo posts by KOLs during the trip;**
- **Most posts have over 1,000,000 impressions, 300 engagements.**

China Marketing News

UGM Outputs

- **Participants from China: 20 pax - estimated**



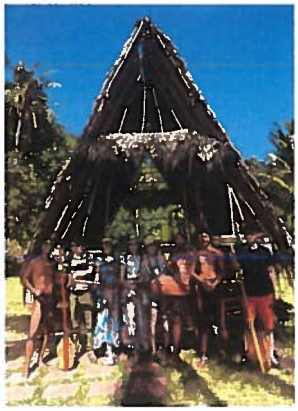
- **UGM exposure on social media of GVB China and press release to domestic media**

- China Guangzhou TV Fam

China Marketing News

China Guangzhou TV FAM

- **Dates: April 5-10, 2017**
- **Participants: 5 staff from Guangzhou Television**
- **Investment: USD 19,692**
- **Expected ROI: 2 episodes on Guangzhou TV, 30 mins/episode (covering 50,000,000 people in Guangdong province)**
- **Highlights of itinerary:**
  100TH Anniversary of SMS Cormoran II
  United Guam Marathon
  Hiking Experience
  Flyboard
  Gef Pa'go Chamorro Village Filming
  The Valley of the Latte Experience
  Atlantis Submarine Tour
  Underwater World



- U.S. Travel and Tourism & American Cuisine Promotion

China Marketing News

U.S. Travel and Tourism & American Cuisine Promotion

- **Dates: April 14, 2017**
- **Investment: USD 2,400**
- **Participants: 120 pax (media)**
- **The event will bring together the media and local travel and tourist operators to learn about travel destinations in U.S. while sampling local cuisine from these areas. GVB will have an opportunity to make a presentation and promote travel to Guam. GVB will also prepare 3 hot Chamorro dishes and local snacks for this event.**



- Mega FAM-FY2017

China Marketing News

Mega FAM-FY2017

- **Dates: Mar 1-Aug 30, 2017**
- **FAM Dates: May 28-July 2, 2017 (TBC)**
- **Investment: USD 62,000**
- **Participants: 30 sales staff from key tour operators or product managers from top OTAs.**
- **Incentive program to encourage front line staff to sell Guam during low season**

1) **Recruit 10 key tour operators or OTA in each region**
2) **Do in-house training for staffs in each participating company**
3) **Decide on the top one sales from each participating company based on the sales volume of Guam products during April.**

- **China Market Workshop: During the half day workshop, GVB members will have the opportunity to meet directly with the Chinese buyers consisting of frontline sales and product managers, give a presentation in turn and have free talk.**

- Competitors Update

China Marketing News

Competitors Update

- **Hawaii Planning China Sales Mission**
- **May 14 – 22, 2017**
- **Shanghai, Beijing, Xi'an, and Hong Kong**
- **Covering both trade and consumer promotions: Camp Aloha Trade Seminar & Business Mart, Aloha Celebration Dinner, Aloha Xi-an (Consumer Activation), Media Roundtable, VIP Trade Networking Lunch, Mahalo Dinner**
- **Number of trade participants: 2016 China Sales Mission when Hawai'i Tourism China organized over 1,400 face-to-face meetings between 300 Chinese travel trade operators (wholesalers, travel agencies, OTAs, MCI intermediaries, airlines, media) and 47 Hawai'i organizations.**
- **Cost for participation: $4,500**



- U.S. Visa Approvals

China Marketing News

U.S. Visa Approvals

- **Concern for visa approvals increase**
- **Visa rejection rate currently at 10 – 15% and expected to increase**
- **Consulates encouraged to reduce number of daily interviews to allow for more intense screening**

V. OTHER BUSINESS

- Chairman Shinohara advised the committee that FY2018 budgets has been brought before the Board and that there is a desire to increase spend in the Korea Market but that there is also discussion that GVB' s overall budget may increase at the expense of other markets. Usually, budgets are taken to committee first but because the Legislature has accelerated their budget timeline, they set May 15 as GVB deadline to submit its budgets. He added, that although the returns and visitation numbers in the Greater China markets isn't yet where we want it to be, GVB is doing some really great things in the marketplace. We're seeing sound traction and we're building our brand. China is a huge place and our share of voice is dismal. Marketing is not cheap and it is very competitive. It is concerning that the reduction of funds would hurt our efforts.
- Chairman Shinohara asked the committee to take a look at the budget and get a perspective in terms of how we are allocating our funds; if we're spending at the right places; or are there opportunities for GVB to be strategically different in how we're going about tackling the markets. Members in this meeting make up the committee who are invested stakeholders so it's important that we should have an opinion. Although it's managements prerogative to figure out what the right decision is here and that the Board will adopt or reject the budget, the committee's voice is still important and your opinion is necessary.
- Ms. Camacho remarked, if other markets are in need of additional funding then it should come from the tourist attraction fund (TAF) and that more of the TAF should be used to fund the bureaus markets.
- Chairman Shinohara commented that China's current budget is just a drop in the bucket in terms of knowing what it takes to market in that region. It takes a lot of these small events costing $20,000 to $60,00 to run just to get the exposure that we want. By taking money away from this market, this would just hurt our efforts and restrict our ability to grow in. However, at some juncture, we need to come to the harsh reality that we're not going to continue to get the level of support if we don't see a return on investment on visitor arrival. We need to show market improvement on a regular basis.
- For the China market, the bulk of the budget is allocated to sales & market development and then broken down to 2 sections: trade and consumer and key projects are identified and how much will be allocated to both trade and consumer programs to support those programs. Other funding would be allocated to U.S. and Commercial Services programs and activities to leverage their programs and activities to further our reach in China. Other allocations include FAM tours, marketing collaterals, public relations, such as advertorial and media activities that includes quarterly media gatherings in our different branch offices. Also covered is social media campaigns and regular representation and administrative services. The key difference between this year's budget and last year's is there is a slight decrease in how much will be allocated towards trade as there is an increase in how much is going to be allocated towards consumer.
- Ms. Law-Byerly asked if GVB has seen the impact in FY2016 budget allocation strategy and the current fiscal year in light of the plan to emphasize more on consumer marketing.
- Ms. Laguana responded that GVB has been more engaged with major OTA's such as C-trip. We're doing bigger campaigns such as the new MOU entered with Fliggy. GVB is doing more social media, as consumers are extremely influential in reacting, responding and participating on online campaigns. We're seeing this major shift and it is the market that causes this shift. GVB needs to stay ahead of this by participating and the right type of marketing programs and supporting those partners we have in that market. Technology and digital marketing is going to be an integral part of what we do. For example Shop Guam Festival. The markets want to take that and grow it to an even deeper and meaningful way that would be impactful to the Chinese traveler. SGF has common variables that everybody has to follow so now we want to be more market specific and take that campaign and develop it more to the consumers desires. Technology changes every second and we're learning that as the consumers welcome it and use it we need to also adjust and be in their realm if we're going to effectively communicate with them.
- Mr. Gatewood remarked, to that point, it is unbelievable what the KOLs can really do to get 1 million impressions with the small investment GVB makes.
- Chairman Shinohara commented that this is his hesitation in taking money away because as when we're making a bigger investment and then having to step away from all that hard work

and effort were we've made, all that money were investing is going to waste. We are not going to see the return tomorrow.

- Ms. Laguana added, not only do we lose our investment but we also lose the credibility we built with our partnerships and our relationship building. There has to be trust and a relationship to build our business moving forward and if we cut our budget we cut our participation with our partners which is a discredit to our product the destination and it makes our job harder when we are in the market trying to sell our businesses.
- Chairman Shinohara added, he is more interested in having a conversation about Eva airlines making a decision to exit the market, which makes up 50 percent of seats out of the market. So how then do we deal with this after taking the resources out of a growing market?
- Ms. Laguana stated, the whole world is trying to cultivate China; it is highly sought after. Guam's advantage is its proximity to China and that and our name is becoming more known but it still takes time to invest, plant the seed and have partners that help us expand that reach. These are all factors that need resources.
- At this juncture, Chairman Shinohara called the question to the committee if it they are favorable to budget cuts that is being considered or if the committee desires to keep the current budget level. There will be time to discuss more about budget allocation but the committee now has to determine the funding level.

Upon a lengthy discussion, Mr. Gatewood made a Motion to approve and support the FY2018 budgets as presented for China, Taiwan and Hong Kong. Motion seconded by Ms. Law-Byerly. Motion passed.

VI. ANOUNCEMENTS
The next scheduled GCMC meeting is on May 12, 2017

VII. ADJOURNMENT
The meeting was adjourned at 12:20 PM

Prepared by: _____
Marketing Coordinator

Approved by: _____
Acting Director of Global Marketing