Speaker's Office <speaker@guamlegislature.org>

MC Fwd: Board Packet for regular Board Meeting March 28, 2019

1 message

Speaker's Office <speaker@guamlegislature.org> Thu, Mar 28, 2019 at 4:36 PM
To: Clerks Office <clerks@guamlegislature.org>
Cc: Rennae Meno <rennae@guamlegislature.org>
Bcc: Tina Muna Barnes <tinamunabarnes@gmail.com>

03-28-19	4:32 PM	03-28-19	GVB Regular Board Meeting - March 28, 2019.*	Guam Visitor's Bureau	35GL-19-0284

--
OFFICE OF SPEAKER TINA ROSE MUÑA BARNES
I Mina'trentai Singko na Liheslaturan Guåhan
35th Guam Legislature
Guam Congress Building | 163 Chalan Santo Papa | Hagatna, GU 96910
T: (671) 477-2520/1
speaker@guamlegislature.org

---------- Forwarded message ----------
From: **Yolanda Bordallo** <yolanda.bordallo@visitguam.org>
Date: Thu, Mar 28, 2019 at 2:15 PM
Subject: Board Packet for regular Board Meeting March 28, 2019
To: <speaker@guamlegislature.org>, <senatorpedo@senatorjpterlaje.com>, Jean Cordero <Jean@guamlegislature.org>
Cc: Pilar Laguana <pilar.laguana@visitguam.org>, Bobby Alvarez <bobby.alvarez@visitguam.org>, Rose Q. Cunliffe <rose.cunliffe@visitguam.org>, Josh Tyquiengco <josh.tyquiengco@visitguam.org>

Hafa Adai!

Please see the attached Board Packet for regular Board Meeting today, Thursday March 28, 2019 at 3:30 pm in the main conference room.

Kindly,

--

Yolanda Bordallo
Executive Secretary

GUAM VISITORS BUREAU
401 Pale San Vitores Road | Tumon, Guam 96913 | (671) 646-5278
yolanda.bordallo@visitguam.com | visitguam.com

Facebook: http://www.facebook.com/guamvisitorsbureau

35GL-19-0284
Speaker Tina Rose Muña Barnes

MAR 2 8 2019
Time 436 ( )AM (✓)PM
Received By:

2019 MAR 28 PM 4:36

4 attachments

- **BOD Agenda 2019-03-28.pdf** 81K
- **BOD Previous Board Meeting 2019-03-14.pdf** 2876K
- **Attachment- Budget FY2020.pdf** 101K
- **BOD 03-28-2019 Signed JMC MINUTES March 13, 2019.pdf** 1356K

0284

BOARD OF DIRECTORS REGULAR MEETING
Thursday, March 28, 2019 – 3:30 p.m.
Guam Visitors Bureau Main Conference Room

AGENDA

I. CALL TO ORDER

II. MINUTES OF THE PREVIOUS MEETING Exhibit A

Approval of minutes of the previous Board of Directors meeting dated March 14, 2019.

III. CHAIRMAN'S REPORT

IV. PRESIDENT & CEO'S REPORT

- GEDA CEDS

V. TREASURER'S REPORT

VI. REPORT OF THE BOARD COMMMITTEES

A. EXECUTIVE COMMITTEE

B. ADMINISTRATION & GOV'T RELATIONS

C. RESEARCH

D. SPORTS & EVENTS

E. RUSSIA & NEW MARKETS

F. KOREA

G. JAPAN

Committee minutes dated March 13, 2019 Exhibit B

H. NORTH AMERICA & PACIFIC MARKETS

IGLTA 2019

Motion to approve travel for the Lieutenant Governor of Guam, GVB President & CEO or designee and one (1) Marketing Staff to attend the IGLTA Annual Global Convention in New York City, New York from April 21-28, 2019. Estimated total cost is $16,500.00; Account # US-SMD023.

Airfare:	$2,500 x 3 pax					$7,500.00
Per Diem:	New York City	Lodging	Nights	M&IE	Days	
	Lt. Governor	$328.90	7	$96.20	7	$2,975.70
	President & CEO or designee	$316.25	7	$92.50	7	$2,861.25
	Marketing Staff	$253.00	7	$74.00	7	$2,289.00
Miscellaneous: Excess baggage, communications expense, booth décor and supplies, and transportation.						$874.05
					TOTAL	**$16,500.00**

Background: The IGLTA Annual Global Convention is the world's premier educational and networking event for LGBT tourism professionals. The conference connects gay, lesbian and gay friendly travel and tourism suppliers and buyers through its hosted buyer and scheduled appointment program, numerous educational workshops and networking receptions. GVB plans to attend the convention to better understand the LGBT market and to potentially promote Guam as an LGBTQ-friendly destination.

The Guam Visitors Bureau is a member of IGLTA and attended the travel show for the first time in 2017. With Guam's passage of the Same Sex Marriage law, GVB is actively promoting Guam as an ideal destination for travel to the LGBTQ market. It's location in Asia and as a U.S. Territory that is LGBTQ-friendly should attract visitors from all over the world, especially Asia.

Furthermore, GVB is a major sponsor of this year's IGLTA. As a sponsor, GVB will be given 15 to 20 minutes to give a Guam Product Presentation and have, as a keynote speaker, the Lieutenant Governor of Guam, to address the IGLTA participants, VIP guests and various travel industry professionals in attendance and. In addition, Guam will be promoted on the IGLTA platforms both online and on traditional outlets.

As a result of our participation at IGLTA, GVB has successfully partnered with IWorld of Travel (IWOT), pride world a large travel wholesaler in North America that specializes in tailor-made experiences and itineraries, creating memories for travelers across the globe. GVB and IWOT has expanded its partnership into 2019 and with the support from H.I.S. International Tours, a Guam-Japan travel package is available in the market for travelers looking into visiting both destinations on a single trip.

Finally, during IGLTA, GVB President & CEO, Ms. Pilar Laguaña, has been exclusively invited to participate at the Google Think Tank roundtable discussion in New York City, New York. Google's Think Tank roundtable discussion is an invitation-only opportunity for executive officers of travel destinations and sponsored by the New York City Convention Bureau and IGLTA. At the roundtable, GVB's President & CEO will be able to participate in an exchanging of ideas that will focus on LGBTQ-welcoming destinations in the world which will tie in a theme of sustainability, LGBTQ travel, and how to challenge over-tourism. The discussions in this session will produce a white paper that will provide Guam an opportunity to be presented in a purposeful dialogue.

Issue: Board approval required for travel.

INTERNATIONAL POW WOW (IPW) 2019

Motion to approve travel for the GVB President & CEO or designee and four (4) Marketing Staff to attend the 51st U.S. Travel Association's IPW Convention in Anaheim, California from June 1-8, 2019. Estimated total cost is $22,000.00; Account # US-SMD023, CI-SMD023, and KO-SMD023.

Airfare:	$2,300 x 5 pax					$11,500.00
Per Diem:	**Anaheim, California**	**Lodging**	**Nights**	**M&IE**	**Days**	
	President & CEO or designee	$216.25	8	$80.00	8	$2,370.00
	(4) Marketing Staff	$173.00	8	$64.00	8	$7,584.00
Miscellaneous: Excess baggage, communications expense, booth décor and supplies, and transportation.						$546.00
					TOTAL	**$22,000.00**

Background: GVB plans to send key marketing staff to this very important and strategic event to maximize one-on-one appointments with key media, buyers and trade professionals from our source markets and from around the world.

Over the 3 days of one-on-one pre-scheduled appointments GVB will be engaging with over 130 buyers during the B2B event and 28 media representatives during GVB's participation in the Media Marketplace. The GVB delegates also will meet numerous travel industry delegates during the networking events held during the 5 days of IPW.

In addition to the appointments, GVB President & CEO, Ms. Pilar Laguaña, will be meeting with key travel trade partners, such as Brand USA, the US Commercial Services and top executives from travel companies that the bureau has maintained a close partnership with in the past several years.

The U.S. Travel Association is the national, non-profit organization representing all components of the travel industry that generates $2.1 trillion in economic output and supports 15 million jobs. U.S. Travel's mission is to increase travel to and within the United States.

U.S. Travel Association's IPW, going on its 51st year in 2019, is the travel industry's premier international marketplace and the largest generator of travel to the U.S. – it is NOT a typical trade show. In just three days of intensive pre-scheduled business appointments, more than 1,000 U.S. travel organizations from every region of the USA (representing all industry category components), and more than 1,300 international and domestic buyers from more than 70 countries conduct business negotiations that result in the generation of more than $4.7 billion in future Visit USA travel. At IPW, buyers and sellers are able to conduct business that would otherwise be generated only through an exhaustive number of around-the-world trips.

As the premier partner of IPW, Brand USA looks forward to welcoming travel professionals around the globe to IPW in Anaheim. As the nation's destination marketing organization, Brand USA inspires travelers worldwide to experience the United States' boundless possibilities. In 2013, Brand USA's marketing efforts helped welcome 1.1 million additional visitors to the USA. At IPW, Brand USA will be available for business appointments to discuss how the organization continues to expand into new markets and introduce new programs that are helping to increase global visitation to the USA.

Issue: Board approval required for travel.

I. GREATER CHINA

J. MEMBERSHIP & COMMUNITY OUTREACH

K. VISITOR SAFETY & SATISFACTION

L. CULTURAL & HERITAGE

M. DESTINATION MANAGEMENT

VII. EXECUTIVE SESSION

VIII. OLD BUSINESS

IX. NEW BUSINESS

X. ANNOUNCEMENTS

- Thursday, April 11, 2019 at 3:30pm, GVB BOD Board Meeting @ Main Conference Room
- Thursday, April 25, 2019 at 3:30pm, GVB BOD Board Meeting @ Main Conference Room

XI. ADJOURNMENT

BOARD OF DIRECTORS REGULAR MEETING
Thursday, March 14, 2019 – 3:30 p.m.
Guam Visitors Bureau Main Conference Room
BOARD OF DIRECTORS PRESENT:

Director Milton Morinaga	Director Antoinette Sanford
Director Shun Masumoto	Director Theresa Arriola
Director Brad Kloppenburg	Director Satoru Murata
Director Robert Hofmann	Director William Nault
Director Joann Camacho	Director Eduardo Calvo
Director Bill Nault	

A quorum was met

BOARD OF DIRECTORS TELEPHONICALLY:

BOARD OF DIRECTORS ABSENT:

Director Eduardo "Champ" Calvo	Director Katarina Sgro
Director Tatsuo Takano	Director Satoru Murata
Director Samuel Shinohara	

GVB MANAGEMENT & STAFF PRESENT:

Pilar Laguana	Bobby Alvarez	Yolanda Bordallo
Lisa Linek	Josh Tyquiengco	Doris Ada
June Sugawara	Nakisha Garrido	Rose Cunliffe
Brian Borja	Elaine Pangelinan	Karida Brennan
Kraig Camacho	Pilar Laguana	Nadine Leon Guerrero
Nicole Benavente	Sydney Leon Guerrero	Breeana Garrido
Nico Fujikawa	Regina Nedlic	Colleen Cabedo
Gabbie Franquez	Maria San Nicolas	

GVB MANAGEMENT & STAFF TELEPHONICALLY:

GUESTS:
Brett O'Connor w/Office of Senator Biscoe Lee, Anumita Kaur w/PDN

AGENDA

I. CALL TO ORDER

Chairman Morinaga called to order at 3:34pm.

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

Director Shinohara made a motion, seconded by Director Kloppenberg, to approve the minutes of the previous Board of Directors meeting dated February 14, 2019, may be subject to changes.

III. CHAIRMAN'S REPORT

- **Bill 46-35: BOD's support section 1 providing DRT with additional financing (10% of excise taxes) to enforce law; support Section 2 for DRT to monitor, control and regulate the process of investigating and collecting fees; but do not support Section 3 on the whistleblowing of lodging facilities that accommodate transient visitors. A written testimony to be submitted.**

- Bill 32-35: GVB cannot have an opinion of the recreational use of marijuana without an impact study which should include all industries in our local market and our Asian source markets governments, custom departments, and travel wholesalers. BOD's made a motion to reference to our former testimony, and to support the undertaking of a research proposal for usage of recreational marijuana in the marketplace. A written testimony to be submitted.

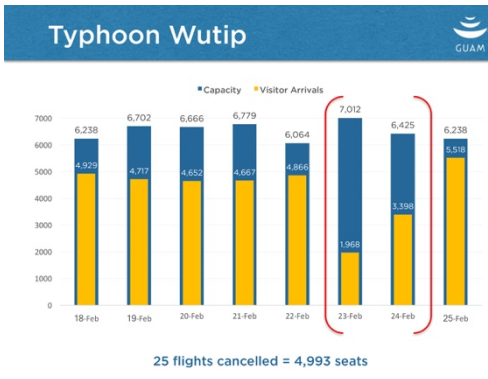
Director Shinohara made a motion, seconded by Director Nault, to approve the undertaking of a research proposal for usage of recreational marijuana in the marketplace, and to reference to our former testimony.
Motion unanimously approved (Subject to minor revisions)

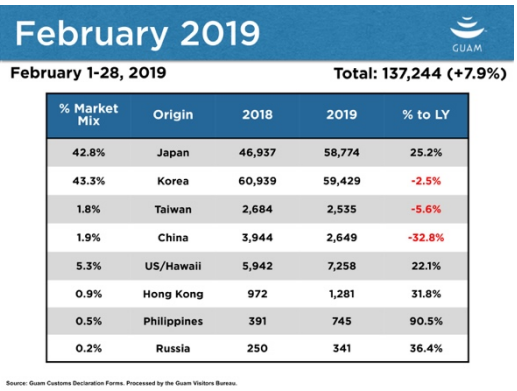
- GHRA: It is not an issue of government and legislation, it is an issue of membership. Concern was raised that no one should have a specific spot on the board. A bill was introduced that discussed how member corporations buy memberships and sign a proxy. An impact study for membership and proxy is recommended. Letter to be drafted and submitted to the BOD's.

IV. PRESIDENT & CEO'S REPORT









% Market Mix	Origin	2018	2019	% to LY
42.8%	Japan	46,937	58,774	25.2%
43.3%	Korea	60,939	59,429	-2.5%
1.8%	Taiwan	2,684	2,535	-5.6%
1.9%	China	3,944	2,649	-32.8%
5.3%	US/Hawaii	5,942	7,258	22.1%
0.9%	Hong Kong	972	1,281	31.8%
0.5%	Philippines	391	745	90.5%
0.2%	Russia	250	341	36.4%

Calendar Year to Date 2019

January – February 1-28, 2019 **Total: 284,751 (+8.6%)**

% Market Mix	Origin	2018	2019	% to LY
41.0%	Japan	88,372	116,795	32.2%
45.2%	Korea	130,188	128,724	-1.1%
1.8%	Taiwan	4,947	4,996	1.0%
1.4%	China	5,138	3,910	-23.9%
5.5%	US/Hawaii	15,303	15,794	3.2%
0.9%	Hong Kong	1,931	2,558	32.5%
0.4%	Philippines	815	1,199	47.1%
0.4%	Russia	920	1,157	25.8%

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

Fiscal Year to Date 2019

October – February 1-28, 2019 **Total: 685,360 (+7.3%)**

% Market Mix	Origin	2018	2019	% to LY
40.5%	Japan	215,992	277,578	28.5%
45.3%	Korea	317,984	310,791	-2.3%
1.6%	Taiwan	10,905	11,284	3.5%
1.1%	China	9,240	7,252	-21.5%
5.6%	US/Hawaii	33,995	38,392	12.9%
1.3%	Hong Kong	8,268	8,961	8.4%
0.5%	Philippines	2,919	3,227	10.6%
0.4%	Russia	2,072	2,858	37.9%

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

MARKETING

Japan Marketing

JAPAN OFFICE RESTRUCTURING UPDATE

- GVB Board approved GVBJ restructure in August 2018. RFP is ongoing.
- Support for GVB Japan operations will be provided by ADK.
- PR / Web / SNS Work
  Ms. Shino Sakagami



Shino Sakagami will be assigned from Full House (a PR agency) via ADK to this role. She has worked for Mandarin Hotels in Canada as well in Japan for a total of six years. Later at Full House, she has been in charge of PR activities for a globally active company – Yamaha Motors – as well as for Dubai Tourism office.



Japan Marketing

2018-19 RID2750 District Conference

- Rotary International District 2750 held their District Conference in Guam on February 23, 2019
- Over **1,200 participants** in this annual event from Japan, Taiwan, South Korea, Guam, Saipan, Palau, Pohnpei and Chuuk
- GVB supported this event with an info booth, greeting services, a welcome banner and Guam gift items





with an info booth, greeting



Japan Marketing

Courtesy Visit with Nagano University

- February 26-27, 2019
- AHES hosted 30 university students and professors from Japan as part of a friendship program with Mimasaka University
- This year marks the 16th year Mimasaka University has visited Guam
- In turn, AHES two students are invited to Okayama for an all-expense paid trip

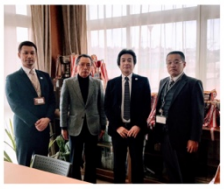


Japan Marketing

Courtesy Visit to Ryugasaki Mayor and Jonouchi Junior High School

- March 1, 2019
- Ryugasaki City has been selected as the host-town for the Guam Judo team for the 2020 Tokyo Olympics and government officials have been eager to meet with GVB
- While in Ryugasaki, the Country Manager – Japan also made a courtesy visit to Jonouchi Junior High School and conducted a Guam presentation for nearly 200 students





Japan Marketing

Courtesy Visit with Nagano University

- March 5, 2019
- Two students made a courtesy visit to GVB as part of their exchange program with the English Club of Guam
- Topics: Environmental Tourism, Tourism Works





Japan Marketing

- GVB will enter into a Memorandum of Agreement with JTB Corp., which accounts for approximately 28% of Guam's Japan visitor arrivals (based on FY18 figures)
- Proposal aims to increase Japanese travelers to Guam, additional charter flights and promote Guam through key JTB network channels
- Key Points: improve value for Guam brand, improve sales force knowledge, develop new products





Japan Marketing

- Cooperative Promotional Program

CONTENTS	Program Item	JTB Contribution % of total	GVB Support % of total
PRODUCT	Event on GUAM in summer	75.00%	25.00%
	Development of Product		
	Group Incentive		
	MICE・Study tour		
SALES	STUDY FAM	75.00%	25.00%
	Special Big summer campaign		
	EVENT in JAPAN		
	ANTENNA SHOP		
PROMOTION	SPECIAL WEB SITE	50.00%	50.00%
	LOCAL TV CM		
	WEB CM		
	WEB TV Program		
	TRAFFIC AD		
	Magazine × Web site		
	SNS & MOVIE AD		
	LISTING AD		
	Article AD for Web site		
	LINE, Facebook, Instagram		

Subject to change based on market conditions and availability of funds.

Japan Marketing

JTB MOA – BY THE NUMBERS

Description	USD	Notes
JTB Contribution	$2,513,147	
GVB Contribution	$1,363,636	*Standard support*
	$454,545	*Additional incentive*
Total Value	$4,331,328	

Target (Goal Pax) Breakdown			
Description	Package	Group	Pax Count
Original Target	133,220	17,500	150,720
Stretch Target	6,000	0	6,000
Original + Stretch Target	139,220	17,500	156,720

Comparison		
Goal Pax	Budget	Cost per Pax
600,000	$8M	$13.33
156,720	$1.8M	$11.60

Korea Marketing

U.S. Commercial Service Meeting

Date / Venue:
February 14, 2019 / GVB Korea Office

Attendees
- Minister Counselor, Mr. Gregory Briscoe
- Daniel Lew, Commercial Officer
- Jessica Son, Senior Commercial Specialist

Meeting Agenda
- Market status and trend
- Market segment
- GVB campaign
- GVB Korea Marketing plan for FY2019





Korea Marketing

AIR SEOUL X PHR FAM TOUR

- March 6 - 10, 2019
- 32 pax (17 travel agents, 9 land operators, 2 PHR Korea, 2 Air Seoul, 2 GVB Korea staff)
  - GVB Korea: Mr. Jay Park, GVB Korea Account Director & Ms. Jessica Ham, GVB Korea Sales Manager
- GVB Korea participated in Air Seoul x PHR's FAM Tour to promote Guam and participate in tour inspections.





Korea Marketing

Upcoming Projects

- ASIA PACIFIC MICE BUSINESS FESTIVAL 2019
- April 4 – 5, 2019
- Suwon Convention Center, Seoul, Korea
- Organized by the Korea MICE Association
- Around 1,500 MICE professionals
- GVB Korea to distribute MICE Collaterals and conduct 1-to-1 meetings





China Marketing

Marketing Strategy Meeting – GVB China

GVB HQ Delegation: Nadine Leon Guerrero & Elaine Pangelinan
GVB China: Brenda He, Bonny Chen, Janet Huang, Iris Wu

Dates: February 27-28, 2019

United Airlines Guangzhou Office
Local Key agents (GZL, HK CTS, Century Tour)

Meeting Agenda:
- FY19 marketing strategy review, target profiles
- Market updates and activity status
- GVB introduced the marketing campaigns for our signature events calendar
- Shop Guam Festival – year-round promotion & SGF app
- United Guam Marathon- complimentary 30 entries, United app
- Guam Micronesia Island Fair
- Discuss with TOs about planning to promote Guam, their advice and challenges

Ideas from TOs for discussion:
- Suggest to make Guam chapels available for sightseeing and picture taking.
- Receive group booking in advance, with entry fee (10 USD per pax, for at least 5 pax)
- China ready program to attract more FITs



Taiwan Marketing

Lion & Rotary Clubs Fam: February 25–March 1, 2019
Taiwan District 300A1 (4 pax)
Rotary District (2 pax)

Promoted Guam to high-yield social club members
- Leveraged club members including their business affiliation and contacts to select Guam for future overseas incentive travel
- Fam did a quick survey of Guam's facilities and activities to plan for their next annual trip
- District 300A1 Lions Outgoing Presidents (60–80 pax)
- Rotary Club
  - Annually travel on a pleasure trip to celebrate their term as president
  - Committing Guam as their next destination sometime between July and September

Taiwan Marketing

KAOHSIUNG ASSOCIATION OF TRAVEL AGENTS FAM (KATA)

March 8-13, 2019 | 16 Agents + 2 KATA Staff
- Welcome Event Held March 8 @ The Guam Museum
- Official Welcoming by GVB Chairman and Acting President & CEO
- Guam Product Presentation made
- Tour of the Permanent Exhibit
- Mini Trade Show – 22 industry members participated
- Dinner Reception


Mini Trade Show – 22 participants


Buffet Dinner Reception


KATA Group Photo - Hagatna


KATA Group Photo – Museum Theatre
Welcome Remarks by Chairman Moriaga



Taiwan Marketing

KATA GOLF FAM – Group 2 | March 19-23, 2019
- Participants include China Airlines Route Director of Kaohsiung, Cola Tour, EZTOGO Holiday Tour and Golf Team Executive Secretary/Director for National Sun Yat-sen University/Shihzuwan Hotel

MICE & Adventure Sports Groups

Group	Date	Number of People
GolfDigest Golf Tour (A)	Mar. 19-23	94
Golden Insurance Brokers Ltd.	Apr. 9-17	388
GolfDigest Golf Tour (B)	Apr. 23-27	60
(TBC) PLI Taiwan	May. 14-18	50
Total PAX		592

Hong Kong Marketing

HONG KONG STRAT & ADMIN MEETING
February 25-28, 2019 | Attended by Elaine Pangelinan and Nadine Leon Guerrero

- Trade visit to Hong Kong and had meetings with United Airlines, Century Tours and Guam Holiday
- **United Airlines**: Discussed FY2019 marketing focus, upcoming marketing initiatives, Guam's MICE development and opportunities and met with the entire sales and marketing team.
- **Century Tour:** A China-based travel agency with their HK office setup in 2018. We went over their development plan in Hong Kong
- Guam Holiday: One of the major travel agents for Guam in Hong Kong. We reviewed their marketing efforts in FY2018 and explored the areas of cooperation for FY2019 such as wedding, new FIT products, etc.


Courtesy meeting @ Guam Holiday Tour
Addison Chan-GVB HK Director,
Elaine Pangelinan-GVB Marketing Manager for HK
Renee Siu-Asst GM for Guam Holiday Tour
Nadine Leon Guerrero-GVB Marketing Manager for China

Philippines Marketing

- The Guam Visitors Bureau (GVB) and the A.B. Won Pat International Airport Authority participated in Routes Asia Conference on March 10-12, 2019 in Cebu, Philippines.
- Routes Asia presents the opportunity for airline route development professionals to discuss, develop, and plan network strategy at the only route development forum dedicated to the Asia Pacific region. It is anticipated that over 800 air service development professionals representing over 100 airlines and 200 airports will be in attendance.
- **GVB in collaborated with Vacations Guam USA to meet with travel agents and media partners on March 9, 2019 while in Cebu to continue the promotion of Guam as the closest U.S. destination, pilgrimage tourism, and shopping haven for the Philippines market.**
- GVB HQ Delegation: Ms. Pilar Laguaña, Ms. Nadine Leon Guerrero, and Ms. Gabbie Franquez

Philippines Marketing

United Guam Marathon | April 2019 – PH Market

- The Guam Visitors Bureau, together with the Pacific Islands Club and United Airlines, will host the 7th Annual United Guam Marathon (to include a half marathon, 10K, and 5K) this coming April 14, 2019.
- Social media promotions have already been released, with additional materials to be released in the coming weeks leading up to the event day.





In addition, Guam Visitors Bureau will fly **Kuya Kim Atienza** and his production team to Guam to cover the **United Guam Marathon and produce TV-ready content for the Matanglawin television program**.

Kuya Kim will host the show and handle all TV plugs, while promoting the event and Guam's tourism on his social media platforms. The team will cover various facets of the island's tourism, such as tourist attractions, hidden gems on the island, Guam's people, food, and culture.

Kuya Kim will also participate in the UGM race as the official celebrity runner for the Philippine market.

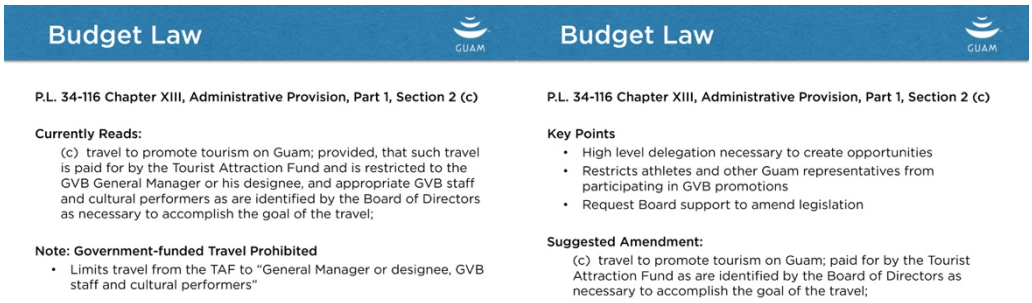
DESTINATION

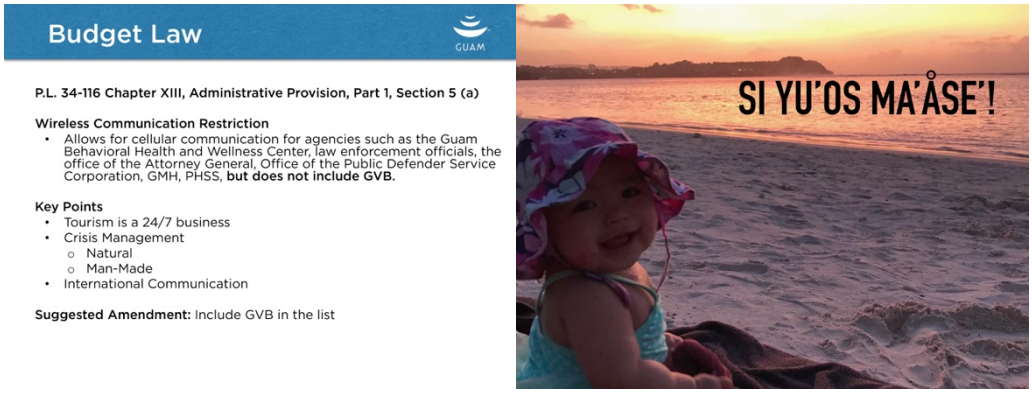
Park Restroom Maintenance

GVB INTERIM PLAN OF ACTION
- RFQ for daily maintenance was issued
- Temporary contract issued to Guam Cleaning Masters
- **Locations:** Ft. Apugan, Inarajan Pool, Matapang, Paseo (Statue of Liberty)
- **Time:** 9:00 A.M. - 5:00 P.M.
- **Duration:** Tuesday, February 26th - Tuesday, March 12th
- **TOTAL COST:** $6,400.00

DPR FY2019 PLAN OF ACTION
- **March 1, 2019:** Bid opening for maintenance of the following 13 parks and 2 swimming pools
- **Locations:** Matapang, Ypao, Paseo, Latte Stone Park, Ft. Apugan, Fish Eye, Nimitz Beach, Ft. Soledad, Inarajan Pool, Talofofo Beach, Ipan Beach, Chinese Park Upper Tumon, Swimming Pools – Agana Pool & Dededo, Dededo Central Skate Park

ADMINISTRATION





- Budget 2020: Extended from March 28, 2019 to April 11, 2019. Concerns over the construction of the budget as expenditures are significantly low, and everyone will look to our tourist fund for money.

-

V. TREASURER'S REPORT Exhibit B

VI. REPORT OF THE BOARD COMMMITTEES

A. EXECUTIVE COMMITTEE

Director Kloppenberg made a motion, seconded by Director Shinohara to ratify approval of compensation for the following:

1. President & CEO Pilar Laguaña- $125,000.00
2. Vice President Bobby Alvarez- $94, 857.00
3. Executive Secretary Yolanda Bordallo- $40,000.00

Motion unanimously approved

Background: During the GVB Board of Directors meeting on February 14, 2019, President & CEO Pilar Laguaña, Vice President Bobby Alvarez and Board Secretary Yolanda Bordallo were confirmed by the board. Their employment and salaries were discussed and confirmed but the board forgot to put in form of motion.

B. ADMINISTRATION & GOV'T RELATIONS

C. RESEARCH

D. RUSSIA & NEW MARKETS

Committee minutes dated March 12, 2019 Exhibit C

- Apple Tours brought 3 groups to Guam, and more will be coming from Malaysia. We need a sounder plan for FY2020. Chairman Morinaga concerned we need to accommodate Halal cuisine and upload Halal restaurants to GVB website.

E. KOREA

Committee Minutes dated March 7, 2019 Exhibit D

- Implementing SMART goals in FY2020 Budget.

F. JAPAN

Committee minutes dated March 8, 2019 Exhibit E

- GVBJ restructure approved & RFP in ongoing.
- Support for GVB Japan operations provided by ADK.
- RID2750 District Conference held in Guam a success with GVB support.
- 16th year Mimasaka University visited Guam (30 students & professors hosted)
- Ryugasaki selected as host-town for Guam Judo team for 2020 Tokyo Olympics.
- 2 students from Nagano University discuss Tourism Works & Environmental Tourism with GVB.
- GVB enters MOA with JTB to increase Japanese travelers to Guam via additional charter flights & JTB network channels. Key points to improve value for Guam, develop new products & improve sales force knowledge.
- Product 25% GVB & 75% JTB; Sales 25% GVB & 75% JTB; Promotion 50% GVB & 50% JTB.
- JTB MOA has additional incentives and cost saving per pax.
- President met with legal counsel as recquired for amounts over $500,000.

GVB JAPAN FINANCE AND ADMINISTRATIVE MEETINGS

Director Kloppenber made a motion, seconded by Director Sinohara to approve travel for one Marketing Manager – Japan and one Accounting Manager to travel to Tokyo, Japan in March 2019 to conduct finance and administrative meetings with the Country Manager – Japan and Public Relations team. Estimated total cost is $5,542.00; Account # JA-SMD008.
Motion unanimously approved

Airfare:	$1,000 x 2 pax					$2,000.00
Per Diem:	Tokyo	Lodging	Nights	M&IE	Days	
	Marketing Manager - Japan	$278.00	3	$229.00	3	$1,521.00
	Accounting Manager	$278.00	3	$229.00	3	$1,521.00
Miscellaneous (Business communications, excess baggage, etc.):						$500.00
Total:						$5,542.00

Background: GVB is still in the process of restructuring the Japan office operations. In the interim, while GVB operates without full-time staff to support the Country Manager – Japan, one Marketing Manager and one Accounting Manager will need to travel to Tokyo to hold administrative meetings with the Country Manager, PR team, and temporary support staff to ensure operations continue without issue. In addition, finance meetings are scheduled to verify proper procurement is still being followed, accounting procedures remain in place, and bills are being paid in a timely and efficient manner. The Japan team will also prepare promotional material and GVB assets to be sent to headquarters to be archived/for future use.

Issue: Board approval required for travel.

G. NORTH AMERICA & PACIFIC MARKETS

Committee minutes dated March 6, 2019 **Exhibit F**

H. GREATER CHINA

Committee minutes dated March 7, 2019 **Exhibit G**

I. MEMBERSHIP & COMMUNITY OUTREACH

- **We will have a membership drive in April.**

J. VISITOR SAFETY & SATISFACTION

- **Much concern over safety in Tumon, need to approach Senators to come up with better resolutions for pan handling law & massage parlors passing out brochures.**

K. CULTURAL & HERITAGE

- **75th Liberation Planning, GVB very involved: local & international marketing, firework sponsorship of $50,000**

L. DESTINATION MANAGEMENT

M. SPORTS & EVENTS

VII. EXECUTIVE SESSION

VIII. OLD BUSINESS

IX. NEW BUSINESS

X. ANNOUNCEMENTS

- Thursday, March 28, 2019 at 3:30pm, GVB BOD Board Meeting @ Main Conference Room
- Thursday, April 11, 2019 at 3:30pm, GVB BOD Board Meeting @ Main Conference Room

XI. ADJOURNMENT

Director Kloppenberg made a motion, seconded by Director Shinohara, to recess the meeting to be continued on Tuesday, March 26, 2019 at 10am in the main conference room to further discuss in more detail the FY2020 Budget. Meeting recessed at 5:27pm

CONTINUATION OF
BOARD OF DIRECTORS REGULAR MEETING
Thursday, March 14, 2019 – 3:30 pm on
Tuesday, March 26, 2019 – 10 am.
Guam Visitors Bureau Main Conference Room

BOARD OF DIRECTORS PRESENT:

Director Milton Morinaga	Director Samuel Shinohara
Director Shun Masumoto	Director Theresa Arriola
Director Brad Kloppenburg	Director Satoru Murata
Director Robert Hofmann	
Director Joann Camacho	

A quorum was met

BOARD OF DIRECTORS TELEPHONICALLY:

BOARD OF DIRECTORS ABSENT:

Director Eduardo "Champ" Calvo	Director Antoinette Sanford

GVB MANAGEMENT & STAFF PRESENT:

Pilar Laguana	Bobby Alvarez	Yolanda Bordallo
Lisa Linek	Doris Ada	Karida Brennan
Breeana Garrido	Karida Brennan	Maria San Nicolas
Nakisha Garrido	Rose Cunliffe	Gabbie Franquez
Brian Borja	Elaine Pangelinan	Regina Nedlic
Pilar Laguana	Colleen Cabedo	Nico Fujikawa
Nicole Benavente	Sydney Leon Guerrero	

GVB MANAGEMENT & STAFF TELEPHONICALLY:

GUESTS:

Hoshino with ADK	Sonny Ada	Flori-Ann Dela Cruz

AGENDA

XII. CALL TO ORDER

Chairman Morinaga called the continuation of the recessed board meeting of March 14, 2019 to order at 10:10am.

IV. PRESIDENT & CEO'S REPORT

President and CEO presented to the board the FY2020 Budget. (Please see attachment)

- Director Shinohara raised concern of significant budget increase of 30%.
- Director Arriola stressed that every market and every department must have convincing and tight justification for budget requests.
- Need to go through budget and be sure it is necessary and justified, because if we have additional funds, we can clean up and beautify Tumon or fund other local projects or other markets.
- Necessary to spend 50% of our funds by now, so by end of the fiscal year we spend our full budget. If we have excess funds, we will lose our budget approval from legislation for the next fiscal year.
- Ms. Lisa Linek will include a column for how much is already spent, legislative approved amount and carryover for each department.

ADMINISTRATION

- Budget includes all staff salary. No increase because no increase in increments. Regular trainings are necessary and procurement training only for those that need it. Ms. Lisa Linek will further breakdown training costs.

MARKETING

- Caution given to be sure incentives bring additional travelers.
- Emphasis to develop new products to give travelers a reason to come and stay longer.
- Will look at specific markets with significant increases in budget request.

Japan

  - All incentives are necessary due to competition from other markets, especially with Japan supporting travel to Hawaii and at the mercy of air carriers.
  - Promote Japan Olympics on Guam.
  - Focus on stopover to Guam on way to other destinations.
  - Legislative approved amount plus carryover.

Pacific & New Market

  - Need a lot of money to open Malaysia.

BRANDING

- Too much emphasis on local culture, need to be more broad and inclusive.

RESEARCH

- Increase for a new software program for more detailed and thorough statistics.

SPORTS & EVENTS

- $250,000 for 2 events.
- Everything Guam festival needs to go under 'Cultural & Heritage" budget.
- Need more time for planning and coordinating so can market to tourism industry which is our main goal. Very important to keep same date every year. Need to do better job of this.
- Funds need to be geared primarily to attract tourism. Local attraction is secondary.
- Offset costs with proceeds.

VISITOR SAFETY AND SATISFACTION

- Increase of VSO due to scope of area expanding. Look into the fact that police force is increasing, so perhaps this can offset how much we need to spend on this.

DESTINATION MAINTENANCE

- Tumon development is fine but more money should be spent on giving Tumon a facelift, and quickly.

Director Shinohara made a motion, seconded by Director Arriola for Directors to take budget materials home to review and will continue discussion at next board meeting(s) before the board will approve the budget and take to legislature for approval.
Motion unanimously approved

Director Shinohara, seconded by Director Kloppenberg, to adjourn the meeting. Meeting adjourned at 12:45pm.
Motion unanimously approved

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

Board Minutes respectively submitted by Yolanda Bordallo, Executive Secretary

GVB FY2020 BUDGET

DRAFT as of March 25, 2019

	FY 2017 ACTUAL	FY 2018 ACTUAL	FY 2019 REQUEST	FY 2019 ACTUAL[1]	FY 2020 REQUEST	INCREASE / (DECREASE)	
Administration	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	-	0%
Marketing							
Japan	7,500,000	8,250,000	9,000,000	8,000,000	9,000,000	1,000,000	13%
Korea	2,200,000	4,000,000	4,000,000	2,250,000	3,000,000	750,000	33%
Taiwan	390,000	400,000	400,000	650,000	850,000	200,000	31%
Pacific & New Markets	180,000	180,000	180,000	180,000	250,000	70,000	39%
U.S./North America	250,000	250,000	250,000	250,000	250,000	-	0%
China	1,800,000	1,000,000	1,000,000	1,000,000	1,000,000	-	0%
Russia	250,000	250,000	250,000	250,000	250,000	-	0%
Hong Kong	312,000	230,216	230,216	230,216	250,000	19,784	9%
Philippines	267,000	350,000	400,000	350,000	400,000	50,000	14%
Branding	500,000	500,000	600,000	500,000	500,000	-	0%
Social Media Support	340,000	340,000	340,000	340,000	340,000	-	0%
Global Website	300,000	300,000	300,000	300,000	300,000	-	0%
Printing Promotion	300,000	200,000	300,000	200,000	200,000	-	0%
Air Supply Incentive	-	-	-	-	5,500,000	5,500,000	100%
TOTAL MARKETING	14,589,000	16,250,216	17,250,216	14,500,216	22,090,000		
Research	600,000	600,000	600,000	600,000	700,000	100,000	14%
Sports & Events	850,000	850,000	850,000	850,000	1,100,000	250,000	23%
Cultural and Heritage (Formerly CHaCo)	750,000	750,000	750,000	750,000	750,000	-	0%
Visitor Safety and Satisfaction	893,472	700,000	950,000	950,000	1,550,000	600,000	39%
Destination Maintenance	1,085,000	1,085,000	1,300,000	1,085,000	1,500,000	415,000	28%
TOTAL NON-MARKETING	4,178,472	3,985,000	4,450,000	4,235,000	5,600,000		
TOTAL OPERATIONS BUDGET	22,367,472	23,835,216	25,300,216	22,335,216	31,290,000	8,954,784	29%
Capital Improvement			1,000,000			-	
TOTAL GVB BUDGET	22,367,472	23,835,216	26,300,216	22,335,216	31,290,000	8,954,784	29%

TAF Revenue Projection	$ 41,502,455	$ 44,662,497		$ 44,746,562	$ 46,696,683
Total Appropriations from the TAF	$ 41,502,455	$ 44,662,497		$ 44,746,561	$ 53,701,345
Unappropriated / (Over Appropriated)	$ -	$ -	$ -	$ 1	$ (7,004,662)

NOTE 1: FY 2019 Actual does not include BOD/MGMT supplemental funding of $7.1M

JAPAN MARKETING COMMITTEE MEETING
FY2020 Budget Presentation
11:30AM – Wednesday, March 13, 2019
GVB Main Conference Room

EXHIBIT

JMC MEMBERS PRESENT: Bill Nault, Satoru Murata, Terry Debold, Kiyoshi Kawano, Shoji Ogawa, Toshio Akigami,

ABSENT: Monte Mesa, Daisuke Tsuchiya, Mike Lee, Sam Shinohara

OBSERVERS/GUESTS PRESENT: Kazu Atsuta, Eilis Baldevia, Miwa Bravo, Akihiko Gondo, Katsutoshi Kabasawa, Shun Matsumoto, Hiromi Matsuura, Milton Morinaga, Koji Nagano, Corey Santos, Daisuke Sato, Kenji Sekine, Yuki Toshida, Tomoya Yamaguchi

ABSENT: Bonnie Alig, Mark Anderson, Kyoichi Aoki, Valerie Blas, Jenny Carbullido, Nobuyo Certerza, Michelle Chaco, Dave Duenas, Hajime Fujiwara, Akiko Futakami, Asher Goldenberg, Tomoyuki Goto, Keiko Hirao, Takamatsu Hiromichi, Kazunori Hotta, Masayo Ibay, Yusuke Imazu, Shinji Ishibashi, Sayumi Ishioka, Yoshiaki Kanemitsu, Hiromi Matsuura, Ayisha McKinnon, Mitsue Nakamura, Simon Odoca, Shizuyo Okabe, Mari Oshima, Yoshinori Oshita, Yoshihisa Otani, Kimi Passeur, Mai Perez, Suzanne Perez, Derin Santos, Clifford Shoemake, Mitsunori Takahashi, Osamu Takahashi, Tak Takano, Akihiro Tani, Sachiyo Tanimoto, Bunichi Yamashita

GVB: Pilar Laguana, Brian Borja, Russell Ocampo, Karida Brennan

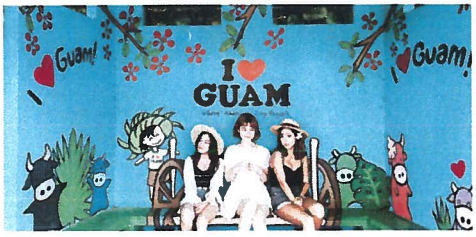
GOOGLE HANGOUTS: Hiroshi Kaneko

CALL TO ORDER
The meeting was called to order at 11:43am.

REPORT OF CHAIRMAN
Chairman Nault stated that the committee was unable to approve the FY2020 budget at the last JMC meeting on March 8, 2019 so it will be discussed during today's special meeting. Management will present GVB's budget to the Legislature in early April.

FY2020 BUDGET PRESENTATION
Presentation conducted by Mr. Brian Borja:

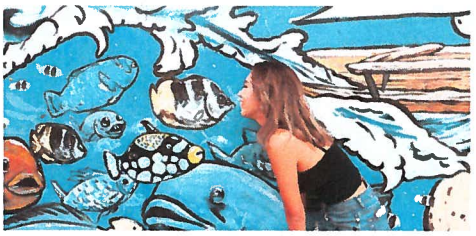
- 2018 Japan Market Review
- 2019 Overall Market Projection
- 2019 Market Review and Forecast
- FY2020 Japan Budget
- FY2020 Japan SMART Goals



Japan Marketing Committee Meeting
March 13, 2019

Agenda

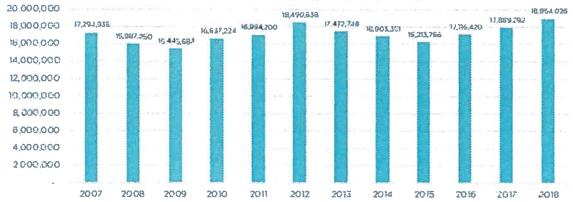
1. 2018 Japan Market Review
2. 2019 Overall Market Projection
3. 2019 Market Review and Forecast
4. FY2020 Japan Budget
5. FY2020 Japan SMART Goals



2018 Japan Market Overview

2018 Japan Market Overview

Japan Outbound Travel (Pax)



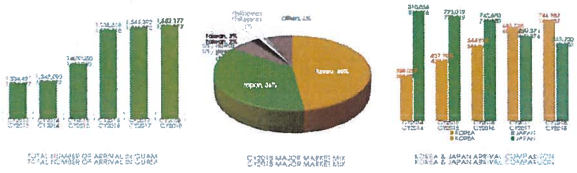
2018 Japan Market Overview

Japan Outbound Travel Seasonality (Pax)



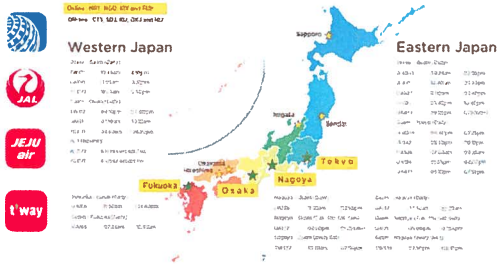
2018 Japan Market Review

Guam Travel Market Status



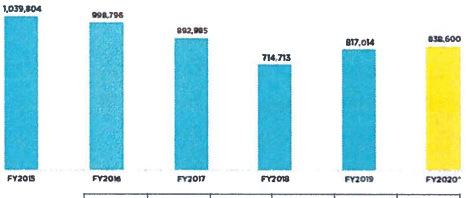
2018 Japan Market Review

Japan Travel Market in Guam



2018 Japan Market Review

Japan Travel Market in Guam: Seat Capacity



	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020*
Seats	1,039,804	998,795	892,985	714,713	817,014	838,600
% Change over Last Year	-	-3.9%	-10.6%	-20.0%	14.3%	2.6%

2018 Japan Market Review

Japan Outbound Travel: Guam Market Share

Year	Total Japan Outbound Travel	Growth Rate (%)	Japan-Guam Arrivals	Market Share (%)
2016	17,116,420	5.6%	745,691	4.4%
2017	17,889,292	4.5%	620,376	3.5%
2018	18,954,026	6.0%	563,386	3.0%

JNTO https://statistics.jnto.go.jp/

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FY2020 JMC Budget Presentation 20190313.key - March 13, 2019



2019 Overall Market Projection

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FY2020 JMC Budget Presentation 20190313.key - March 13, 2019

2019 Overall Market Projection

Japan Economy and Outbound Travel Market Trend

The **Japan economy** will expand at a broadly similar pace **in 2019**, compared to 2018, but there are **some risks** skewed to the ***downside***. The most **visible threat** to Japan's economy is the planned **tax hike** set for *October 2019*. Although, many predict a *surge* in sales prior to the increase of the consumption tax from **8% to 10%**, consumers are likely to **cutback** in the immediate aftermath.

Total Japan outbound travel is expected to **exceed 19.1 million in 2019** for the **first time ever**. JTB says that up to **10 consecutive holidays** in the Golden Week period will ***boost*** the overseas travel demand, and some travel agents have already received 2-5 times more bookings for long-haul destinations, like Europe, well in advance.

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2019 Overall Market Projection

Japan Outbound Travel Market Trend

Japan outbound travel is now *boosted* by young travelers, rather than senior travelers. Young travelers tend not to buy once-popular travel guidebooks when going abroad. Up to the mid-2000's, people bought guidebooks as a matter of course, showing them to decide where to go and what do to in their destination.

But the ubiquity of social media services and other online information sources nowadays has *fundamentally changed* the travel decision-making process.

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2019 Overall Market Projection

Japan Outbound Travel Market Trend

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But the ubiquity of social media services and other online information sources nowadays has *fundamentally changed* the travel decision-making process.

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FY2020 JMC Budget Presentation 20190313.key - March 13, 2019

2019 Overall Market Projection

Where are we going?
Target Statistics in FY2019

TOTAL JAPANESE VISITOR ARRIVALS

670,000

TOTAL AIRLINE SEAT CAPACITY

SEAT CAPACITY: 838,600
AVERAGE LOAD FACTOR: 80%

JAPAN OUTBOUND MARKET SHARE

3.2%

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2019 Overall Market Projection

Japan Arrivals Projections



	FY2015	FY2016	FY2017	FY2018	FY2019 Projection	FY2019 Tracking	FY2020 Projection
Japan Arrivals	779,405	752,757	674,345	530,223	600,000	679,585	670,000
% Change over Last Year	-	-3.4%	-10.4%	-21.4%	13.2%	28.0%	11.7%

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2019 Overall Market Projection

Fiscal Year Average Load Factors

Fiscal Year	Seat Capacity	Arrivals / Forecast	Load Factor
FY2015	1,039,804	779,405	75%
FY2016	998,796	752,757	75%
FY2017	892,985	674,345	76%
FY2018	714,713	530,223	74%
FY2019	817,014	600,000	73%
FY2020	838,600	670,000	80%

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2019 Overall Market Projection

Japan Outbound Travel Market Share

Year	Total Japan Outbound Travel	Japan-Guam Arrivals	Market Share (%)	Growth Rate (%)	Notes
2016	17,116,420	745,691	4.4%	5.6%	JNTO Source: https://statistics.jnto.go.jp
2017	17,889,292	620,376	3.5%	4.5%	
2018	18,954,026	563,386	3.0%	6.0%	
2019	19,971,225.4	600,000	3.0%	5.4%	Growth rate is average of 2016-2018
2020	21,043,014	670,000	3.2%	5.4%	

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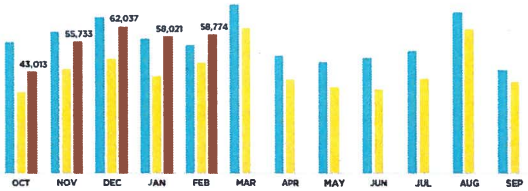


2019 Market Review and Forecast

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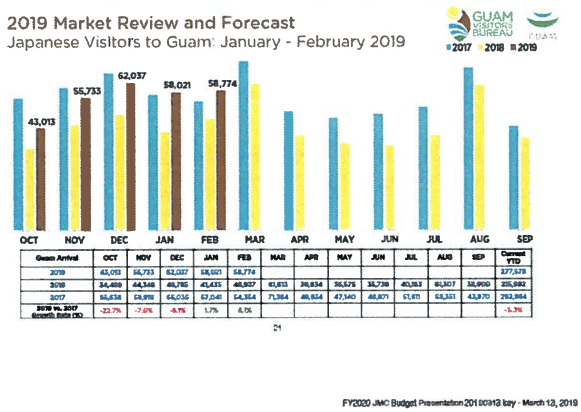
2019 Market Review and Forecast

Japanese Visitors to Guam: January - February 2019



Guam Arrival	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	YTD
2019	43,013	55,733	62,037	58,021	58,774								277,578
2017	55,636	58,898	66,035	57,041	64,354	71,384	48,834	47,160	48,971	57,611	66,321	43,670	282,884
Growth Rate (%)	-22.7%	-7.0%	-6.1%	1.7%	8.1%								-1.3%

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Guam Arrival	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	Current YTD
2019	43,013	55,733	62,037	58,021	58,774								277,578
2018	34,489	44,348	48,785	41,435	46,927	61,813	36,834	36,575	38,739	40,383	61,307	38,900	235,982
2017	36,638	39,919	44,036	37,041	34,364	71,364	48,824	47,140	46,871	51,611	58,351	43,870	293,864
2019 vs. 2017 Growth Rate (%)	-22.7%	-7.6%	-9.1%	1.7%	8.0%								-5.3%

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FY2020 Japan Budget & SMART Goals

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FY2020 Japan Budget Breakdown

Section	Acct No	Program	FY2019 Budget Approved: $8,700,000	FY2020 Proposed Budget: $9,100,000	% Change
Advertising, Public Relations and Special Promotions	APA001	Advertising Oversea Missions and Partners	$	$	
	ADV001	Destination Advertising, Editorial and Sales Travel Trade	$	$	
	ADV034	Web	$	$	
	PRE001	Research	$	$	
	PRE007	PR Oversea	$	$	
	MAR001	Guam Island Events Information	$	$	
Trade/Consumer Shows	TTE001	JATA Tourism Expo Japan	$	$	
	GAMEALL001	Marketing Blast/Jet Blue	$	$	
	TTE001	Regional Travel Shows	$	$	
Evaluation/Research	SMD001	In Country Research	$	$	
Market Development	SMD002	Hale Ade Study Tours	$	$	
	TTE013	Trade/VIP Receptions	$	$	
	SMD004	Sales Mission Development	$	$	
	SMD006	Continental Development	$	$	
	SMD015	MICE Market Incentive for group travel to Guam	$	$	
	SMD008	Airline Trip Wholesale	$	$	
		Program Totals	$ 7,800,000.00	$ 7,800,000.00	0%
		Japan Administrative	$ 900,000.00	$ 900,000.00	0%
		Grand Total	$ 8,700,000.00	$ 8,700,000.00	0%

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FY2020 JMC Budget Presentation 20190313.key - March 13, 2019

FY2020 Japan SMART Goals

1. Welcome 670,000 Japanese visitors to include family, young generation, office ladies, MICE/Group, school trips and wedding target markets (+11.67% vs FY19 estimation)
2. Target the introduction of new flights directly servicing Guam from Japan, increasing current air seat capacity. (817,014 seats to 838,600 which is an increase of 2.6%)
3. Target 450 charter flights (+28% vs FY18 results, which had 324 charter flights)
4. Continue to shift aggressive advertising efforts to online and social networking services to achieve increased brand awareness amongst target market segments.
5. Increase direct business opportunity with airlines and online travel agents (OTA's)
6. Maintain working closely with core business partners like JGTC and JGTA members.
7. Effectively grow social networking services presence by increasing the number of followers and engagement ratio
8. Growth of Japan outbound travel market share. Target is over 3%. (CY18 result: 2.9%)

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FY2020 JMC Budget Presentation 20190313.key - March 13, 2019



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FY2020 JMC Budget Presentation 20190313.key - March 13, 2019

Discussion/Comments:

2018 Japan Market Review

- Source: Japan National Tourist Organization
- From 2007-2018 the general average for Japan outbound travel was 15 million to 18 million
- For 2018 specifically: About 18.9 million
- Seasonality for Japan outbound travel: Follows Guam's Japan arrivals trends (peak in March and August; low from April through June)

- Around 2017 Korea market increased representing about 40-50% of Guam's arrivals whereas Japan arrivals were on the decline
- Direct flights via UA, JAL, Jeju Air, T'way from four online ports: Narita, Nagoya, Osaka, and Fukuoka; offline ports: Sapporo, Sendai, Niigata, Okayama, and Hiroshima
- In FY2015, Japan had over one million direct air seats to Guam
- From FY2016-FY2018, capacity started to decrease
- This fiscal year, we are forecasting over 800,000 seats out of Japan and approximately 838,600 seats in FY2020 including charters and extra sections (figures are just projections; numbers will change)
- Guam's market share has decreased from calendar year 2016

2019 Overall Market Projection

- Japan economy will expand in 2019 with some risks (i.e., tax hike set for October 2019)
- Japan outbound travel is expected to exceed 19.1 million in 2019 for the first time ever
- 10 consecutive holidays during Golden Week will boost overseas travel demand
- Japan outbound travel is now boosted by young travelers
- Ubiquity of SNS and other online sources has changed the travel decision-making process (travelers are straying away from travel guidebooks)
- FY2015-FY2018 Guam saw a steady decline in the Japan market
- FY2019 goal pax is 600,000; tracking at 678,685
- FY2020 goal pax is 670,000
    - Chairman Nault asked if this projection is conservative with an 11.7% increase versus the previous year. Mr. Borja reported that this is a moderate projection because of the uncertainty of airline capacity and aircraft upgauging. When market conditions change, management tasks the Research Department with reprojecting and adjusting the goal pax. President Laguaña added that the FY2019 numbers reflect the airline support program which has helped boost air seat capacity out of Japan.
    - Mr. Kawano recommended using one projection/goal pax figure only (not both projection *and* tracking figures; can be confusing)
- FY2019 LF: 73%
- FY2020 LF Goal: 80% (may be slightly aggressive, but Japan team has aggressive marketing efforts planned to meet the demand)
- Primary target markets: Family, young generation, office lady, MICE/group business, school trips, wedding

2019 Market Review and Forecast

- We are slightly behind when comparing FY2019 arrivals to FY2017 with a growth rate of -5.3% (using the last three years is a better comparison than using just FY2018)

FY2020 Japan Budget

- Total budget request remains at $8M
- Decreased Marketing Blitz/Road Show because we have not done many shows recently in-market
- Increased In Country Research; will require a significant investment with a validated company in Japan to get information we can use for an extended period of time
- Increased HAST to hold several smaller FAM trips throughout the year as opposed to one HAST
- Japan Administrative account includes salaries for Japan staff, office equipment, rent, incoming marketing representative, etc.
    - Mr. Kawano asked for clarification on the Japan Administrative budget as the GVB Japan office is closed. Mr. Borja stated that this budget is dependent on the outcome of the RFP which is currently ongoing.
- Mr. Morinaga reminded the team to account for the tax hike in the budget. Chairman Nault recommended making a note of it when addressing the Legislature as well.

- When asked by Chairman Nault whether she is comfortable with the budget request, President Laguaña stated she is concerned about the Japan office transition. She is grateful to ADK for offering temporary support. She has other ideas to alleviate the work load and staff shortage but will discuss it with the managers first. She also shared that once the contract for the marketing representative is in place, this plan may change based on their professional recommendations. However, for the purpose of budget planning, she is supportive of this plan and presenting it to the Legislature.
- Chairman Nault mentioned that last year, the Japan market requested for a $1M increase. When considering air service development, we may need to increase our budget request this year. President Laguaña stated there is a separate air service development account for all markets but we need to discuss whether this should remain a separate account or if it should be added to Japan's budget.
- Mr. Debold pointed out that if we are spending the same amount per pax for FY2020 as we are for FY2019, but we are targeting 70,000 more visitors, it would not be unreasonable to ask for more funding. Spending the same amount per pax for FY2020 would bring the budget to nearly $9M. Mr. Borja stated that for FY2019, the Legislature approved a $7.5M budget for Japan and management allocated an additional $500k, totaling $8M. In addition, we were able to tap into the Bureau-wide air service development budget of $3M (all of which has been programmed for Japan). So for FY2019, the total budget and expenditures to achieve the tracking arrivals number of 678k is $11M. However, going into the next fiscal year, management wants to afford the opportunity to other markets to use the air service development account. With all things considered, the Japan team is requesting for a status quo budget of $8M with the hopes that some of the air service development budget will be allotted to Japan again. Mr. Debold reiterated his initial question: Why ask for a status quo budget when we are trying to attract more visitors than the previous year? Mr. Morinaga asked to see actual expenses for each account for FY2019. This will help to determine if our budget is feasible. President Laguaña suggested creating an air service support incentive program of $1/$2M specifically for the Japan budget. Mr. Morinaga feels that because there is already an existing air service development account for GVB, the Legislature will not approve a second one solely for Japan. He added that there is a cost associated with attracting 70k additional visitors; how can we increase arrivals with the same funding as FY2019? Mr. Debold shared that if we submit this request it might set precedence. Come FY2021, the Legislature might expect us to increase arrivals again with a status quo budget. Mr. Morinaga stated that additional funding is justified especially because competition will intensify due to the Tokyo Olympics. President Laguaña noted that spending the same amount per pax ($13.33) will increase the budget to about $9M. Mr. Borja recommended increasing co-op advertising with airlines and TAs by $400k and SMD by $500k. He would like to increase the budget in sales areas.
- Mr. Ogawa asked what the budget was for FY2016 and FY2017. Mr. Borja reported $7.5M and $6-$7M respectively, but for both years we had to request for supplemental funding from the Board.
- Mr. Morinaga reminded the team to be prepared to explain to the Legislature how much Japan has spent for FY2019 so far. He personally feels as though our budget is insufficient.
- Mr. Kawano expressed that his understanding of the GVB Japan office closure was to decrease the administrative costs in Japan. While there is no Japan office, the 800k allocated to administrative costs should be reallocated to promotions. Why is there still an 800k line item when there is no Japan office and support staff (aside from one or two employees)? Chairman Nault explained that the Japan office still exists but employee costs has gone down. GVB decided to restructure Japan operations to bring in new professionals, resources, and ideas; not to rid the Japan budget of the administrative costs. This account will also be for the new marketing representative meaning the overall number could increase or decrease once the contract is in place. For the purpose of budget planning, this is the amount we will request.
- Chairman Nault advised Mr. Borja to increase the budget request by $1M.
- Chairman Nault then shared with the committee that compared to competing destinations out of Japan, Guam has a smaller budget. If we really need more funding, we need to present it to

the Legislature for consideration. We should also consider presenting budgets of competing destinations to the Legislature for comparison.

FY2020 Japan SMART Goals

- Goal pax: 670,000
- Increase air seat capacity to 838,600
- Target 450 charter flights
- Shift advertising efforts to online and SNS
- Increase business opportunities with airlines and OTAs
- Maintain close working relationships with core business partners like JGTC and JGTA
- Grow SNS presence
- Growth of Japan outbound travel market share; target is over 3%

Discussion/Comments:

- Chairman Nault shared with Mr. Kaneko the committee's concerns that he lacks adequate support to assist members in country. Mr. Kaneko stated that he can support members but it remains a challenge with the staff shortage.
- Chairman Nault asked about the RFP schedule. Mr. Ocampo stated that the RFP launched on February 28 in market and on the GVB website. It was also shared with media partners. The deadline for potential offerors to submit questions was March 5. The deadline to submit proposals is April 5. Thereafter, it becomes an internal process. GVB is hoping to have the award finalized by May/June due to Golden Week.
- Regarding the staff shortage in Japan, President Laguaña is considering a temporary contract to bring one support staff on board to assist Mr. Kaneko from the GVB head office. Chairman Nault reminded the committee that Mr. Kaneko is currently being supported by a temporary representative from ADK/Full House.

FY2020 BUDGET

Motion made by Mr. Debold, seconded by Mr. Murata, to amend (then approve) the presented budget for the Japan market by increasing the overall figure by $1,000,000 bringing the grand total budget request to $9,000,000 (additional $1,000,000 to be portioned out by GVB management and Japan staff). Motion approved.

ANNOUNCEMENTS

- JATA Tourism Expo Japan will be held in Osaka beginning on October 24.

ADJOURNMENT

Motion made by Mr. Akigami, seconded by Mr. Murata, to adjourn the meeting at 12:37pm. Motion approved.

Minutes prepared by: _____
Karida Brennan, Marketing Coordinator - Japan

Approved by: _____
Brian Borja, Marketing Manager - Japan

Approved by: _____
Russell Ocampo, Marketing Manager - Japan