

REGULAR BOARD MEETING
GVB MAIN CONFERENCE ROOM, 4:00PM
THURSDAY; January 13, 2011

Board of Directors Present:

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| Theresa Arriola | Mark Baldyga |
| Edwardo Calvo | Hope Cristobal |
| Judy Flores | Bruce Kloppenburg |
| John Limtiaco | Monte Mesa |
| Carol Tayama | Hayato Yoshino |
| N. Oscar Miyashita | |

Board of Directors Present Telephonically:

Board of Directors Absent:

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| Chris Anderson | Rizk Saad |
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GVB Management and Staff Present:

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| Gerry Perez | Ernie Galito | Rose Cunliffe |
| Debi Basa Phillips | Pilar Laguana | Gina Kono |
| Nadine Leon Guerrero | Doris Ada | June Sugawara |
| Felix Reyes | Kraig Camacho | Haven Torres |
| Regina Nedlic | Amanda Lawson | Elaine Pangelinan |
| Jeffry Mindo | Regina Nedlic | |

Guests: Senator Tina Muna-Barnes; Chelsa Muna-Brecht, Office of Sen. Barnes; Hong Soon Im, Miki Taxi

❖ **Proceedings:**

Meeting called to order at 4:01 p.m. by Director Mesa.

Review of the previous regular Board minutes dated December 9, 2010.

- o Motion made by Director Arriola, seconded by Director Flores, to approve the minutes of December 9, 2010.

Motion approved (subject to correction).

❖ **Board Officers and Committee Appointments:**

- Director Mesa introduced the new Board of Directors.
- Director Mesa stated that one of the functions of the board is to vote for the 12th member.
- Director Mesa opened the floor for nomination.
- o Motion made by Director Calvo, seconded by Director Yoshino, nominating Mr. Oscar Miyashita as the 12th member of the Board.

January 13, 2011; 1



Motion approved by acclamation

- Director Mesa stated that the Chairman, Vice-Chairman and Secretary/Treasurer need to be nominated as well.
- Motion made by Director Calvo, seconded by Director Limtiaco, for Director Mesa to be Chairman of the Board.
Motion approved by acclamation
- Motion made by Director Calvo, seconded by Director Limtiaco, for Director Baldyga to be Vice Chairman of the Board.
Motion approved by acclamation
- Motion made by Director Baldyga, seconded by Director Limtiaco, for Director Cristobal to be Secretary/Treasurer of the Board.
Motion approved by acclamation
- The board reached consensus on the following committee chair assignments:
 - Administration and Government Relations – Hope Cristobal
 - Japan Marketing Committee – Mark Baldyga
 - Existing Markets Committee – Hayato Yoshino
 - New Market Development Committee – Bruce Kloppenburg
 - Destination Management – John Limtiaco
 - Cultural Heritage and Community Outreach Committee – Theresa Ariola
 - Sports and Events Committee – N. Oscar Miyashita
 - Membership Development – Bruce Kloppenburg as Interim Chair until such time that a chair is nominated.
- It was noted that three board members were not present at the start of the meeting. The Korea Marketing Committee, Membership Development, and the Research Committee are pending assignments.
- Motion made by Director Arriola, seconded by Director Cristobal, to approve committee chair assignments.
Motion approved by acclamation
- Director Calvo inquired which committee has oversight with the Military Buildup, which will impact the visitors.
- Chairman Mesa replied that Destination Management is responsible to be engaged in and liaison with Department of Defense as well as JGPO in terms of the Military Buildup and military activities similar to what the Guam Chambers' Armed Forces Committee.
- Director Calvo stated that it is important that GVB has an active role in the development.
- Director Arriola recommended the Administration and Government Relations be involved as well.
- Chairman Mesa stated that it is a very good idea and that it is also important that GVB have a place in the legislative approach.

January 13, 2011; 2





❖ **General Manager's Report:**

- Staff was introduced to the board
 - Copies of General Manager Gerry Perez' report were distributed to all Board members present during the meeting.
 - The cash position report and the Statement of Revenues and Expenditures was included in the General Manager's Report.
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- Director Miyashita inquired how much is the additional TAF bond and if it is paying off the old bond.
 - GM Perez replied about \$27 million. He stated that the interest climate is such that it generates savings and even pays back the old bond with the interest and principal, which will generate about a million dollars on top of that in NPV savings.
 - GM Perez stated by defeasing that and coming out maximizing on the borrowing capacity on the TAF, which will generate another \$60 million with the restriction of debt service not exceeding \$6.9 million.
 - GM Perez stated that the last board recommended \$6.5 million maximum debt service but legislation was passed, which allowed it to be \$6.9 million.
 - Director Calvo inquired if there is a list of proceeds planned.
 - GM Perez replied yes. He stated that there is an original list based on the last board's approval, Parks & Rec and the Mayors Council.
 - GM Perez stated that some of the list has changed during the discussion and the need to revisit it because the board would be asked to make a recommendation to the Governor on the final list.
 - Director Kloppenburg inquired if there is a schedule for board orientation.
 - Chairman Mesa replied that the orientation is scheduled for next week Saturday, the 22nd. He stated that the board should decide by the end of the meeting what is the best time for everyone.
 - Director Kloppenburg recommended that the new members read the 5-year strategic plan before the orientation.
 - Director Miyashita inquired if GVB is responsible for the Tumon Bay Reconstruction Project.
 - GM Perez replied no. He stated that the Bureau is only monitoring it because it really affects tourism.
 - Director Kloppenburg stated that the Bureau guides it because the funding comes from TAF. He stated that if the Bureau doesn't push it, it doesn't get done.
 - Director Kloppenburg stated that it goes through the procurement process and is administered by Public Works.
 - Director Miyashita inquired if the Bureau could demand that the contracting work be done in the evening instead of the morning.
 - Director Kloppenburg replied no, the Bureau can't demand because it does not have the funds. He stated that there are not enough funds to have the full scope of work done during the evening.
 - Director Miyashita inquired that since the Bureau is paying for it, shouldn't it have a say in the contract, to take it away from the jurisdiction of DPW.
 - Director Kloppenburg stated that the Bureau does pay for it, but it has no standing. He stated that the Bureau does not get involve with the design.
 - GM Perez stated that when the bond financing for the restoration is finalized, he recommends a contracting manager (CM) to oversee the project instead of DPW.
 - Director Calvo stated that it requires the administration and the legislature to transfer jurisdiction to the Bureau. He stated that it is possible.
 - Director Calvo inquired if it has ever been pursued.
 - Director Kloppenburg replied that to his knowledge it has never been pursued.

January 13, 2011; 3





- Director Kloppenburg stated that part of the problem is the Bureau has to mow the grass, fix the roads, and etc. He stated that it is not the Bureau's job.
- Chairman Mesa recommended organizing a round table meeting with DPW, Parks & Rec and Senator Barnes to raise the issue. He stated there might be legislation that needs to be changed to transfer oversight in terms of those particular projects that TAF pays for.
- Chairman Mesa stated that the oversight chair for the Bureau is willing to assist the Bureau to help drive legislation.
- Chairman Mesa thanked GM Perez for the update and a very nice report on the status for the beginning of the calendar year. He stated that the board would like to continue his services as the General Manager until such time that the board re-evaluates the organization but is looking forward to his continued services.
- Director Calvo recommended having a working session with GEDA and the underwriters in terms of the bond, application and how it is being spent.
- Director Calvo stated that what he heard was that there was actually work done with the money that TAF has provided. He inquired if that was true.
- Director Kloppenburg stated that no, not that he is aware of. He stated that with the current construction, there is funding, the legislation was approved and everything was set.
- Director Kloppenburg stated that the Governor broke ground more than three years ago and that the Bureau was ready to go. He stated that the process to get it through DPW and EPA took three and a half years.
- GM Perez stated that it took eight months for EPA's approval.

❖ **Report of the Treasurer:**

○ **Cash Position Report:**

- Cash report as of January 11, 2011.
- Total cash in banks report (as of 1/11/11) \$4,295,300.12
- Total allotment received to date: \$3,193,359.00

- GM Perez reported that the audit should be completed by the end of January.
- GM Perez distributed the Bureau's annual report.
- Director Miyashita requested for a breakdown of the expenditures under miscellaneous.
- Director Miyashita requested for a copy of the FY2009 audit.
- Director Miyashita requested for a copy of the draft audit report for FY2010.
- Director Miyashita requested for a statement of financial condition as of November 30, 2010.

❖ **Report of the Board Committees:**

A. **The Strategic Advisory Council:**

- Nothing to report.

B. **Administration/Government Relations:**

- Nothing to report.



January 13, 2011; 4



C. Executive Committee:

- o Motion made by Director Cristobal, seconded by Director Tayama to ratify approval of travel for a GVB BOD or staff to accompany the Governor to Vietnam to attend meetings with government officials and trade representatives from December 18 – 21, 2010 (Account: 100-5201-CI-SMD023-0, approximately \$6,500.00).

10 ayes, 1 abstention by Director Calvo, motion approved

Discussion:

- Director Calvo stated that he is not comfortable approving a motion approved by the previous board's executive committee.
- Chairman Mesa stated that the last board did not have time to meet at the tail end of December to ratify the action. He stated that it is a practice that the Executive Committee review certain travel requests that are emergencies or last minute requests with the board ratifying then at the next regular board meeting.
- Director Arriola commented that the trip is done.
- Director Kloppenburg stated that on occasion motions are sent to the executive committee if they are time sensitive and a board meeting is not scheduled
- Director Kloppenburg noted the motion initially was presented at the BOD meeting on December 9, 2010 and failed.
- Director Kloppenburg stated the Executive Branch made additional information available and subsequently the motion was sent to the Executive Committee for approval since a board meeting was not held at the end of December.
- Chairman Mesa stated that the motion was done in good faith in trying to create new markets and is at the tail end of the calendar year and as such, the Executive Committee approved the motion. He stated that the motion is justifiable in reviewing what was presented at the GM's report.
- Director Kloppenburg recommends that the motion be approved or else it becomes staff expense.
- GM Perez stated that the reason it failed the first time was because there was not enough information. He stated that additional information came in and was given to the Executive Committee.
- Director Kloppenburg stated that the Executive Committee comprises of three members with the Vice-Chairman as the chair of the committee. He stated that there are times that there is no quorum on the regular scheduled board meeting but business still needs to go on with the Bureau.
- Director Kloppenburg stated that marketing and different events occur at a quick time and the need to have somebody make decisions. He stated that it is a policy to keep the Bureau's business moving forward.
- Director Calvo inquired if there was a clear understanding as to what power the Executive Committee has.
- Director Kloppenburg replied yes.

Background: The Governor is requesting a GVB representative to accompany him for meetings with Vietnam government tourism officials and trade representatives and officials immediately following MCES in Palau, to discuss regional trade initiatives and opportunities later schedule to take place next week.

Governor Camacho will be meeting with the following Government of Vietnam officials in Hanoi, Vietnam regarding visit and intention for cooperation in Trade, Education, Science and Technology.

Mr. Pham Gia Khiem, Deputy Prime Minister/

January 13, 2011; 5





Ministry of Foreign Affairs of the Socialist Republic of Viet Nam

Mr. Nguyen Thanh Son, Ph.D., Vice Minister of
 Foreign Affairs of the Socialist Republic of Viet Nam

Issue: Time sensitive and board approval required for all travel.

- o Motion made by Director Kloppenburg, seconded by Director Flores to ratify approval of travel for the Marketing Manager to participate in the National Tour Association (NTA) Leadership Team Committee Chair Orientation in Tampa, FL, January 22-23, 2011. (Estimated cost = \$2,778.00, Account No. 100-5202-US-SMD043-0).

Motion approved unanimously

- GM Perez stated that Ms. Pilar Laguaña was chosen to chair the inbound task force for NTA
- Director Kloppenburg noted there is a reimbursement for some expenses by the national committee
- Ms. Laguaña provided additional information about the National Travel Association

Background: Ms. Pilar Laguaña was recently selected Chairperson of the NTA China Inbound Task Force for 2011. This orientation for incoming Chairpersons is for them to get together with the NTA Board of Directors to view the association's goals and to set the foundation for the committees' work to commence early next year. China is a very important strategic market and GVB remains committed in the region and continues work on the China/Russia-Guam Visa Waiver Program. Meanwhile, GVB is positioning to align itself with key industry and travel distribution channels to prime the market for air charters and for eventual direct air service. NTA will reimburse up to \$1,000 for airfare and one day per diem after the trip resulting in \$1,179.00 savings to GVB.

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| Airfare @ \$2,250/pax | \$2,250 x 1 pax | \$ 2,250.00 |
| Lodging @ \$108/day | \$108 x 3 days x 1 pax | \$ 324.00 |
| Per Diem @ \$51/day | \$51 x 4 days x 1 pax | \$ 204.00 |
| Estimated Total: | | \$ 2,778.00 |

Issue: Time sensitive and board approval required for all travel.

D. Japan Marketing:

- o Motion made by Director Baldyga, seconded by Director Kloppenburg to approve travel for Ms. Satoe Mukai, GVB Osaka Japan Marketing and Sales representative, to travel to Guam to assist in the execution of the 365 Monitor Campaign from January 20-25, 2011. Travel dates from January 20-25, 2011. (Estimated cost \$750.00; account #ADV001).

Motion approved unanimously

Discussion:

- GM Perez stated that all the funds are budgeted but there is a board policy that requires board approval for all travel.

January 13, 2011; 6





- Director Calvo inquired if the board has to go through all the travel motions, which are within the budget.
- Director Kloppenburg replied yes.
- Chairman Mesa stated that the board has set a policy particularly to travel.
- Chairman Mesa stated that it has to be transparent because it is a sensitive issue. He stated that it has to be publicly stated.
- Director Kloppenburg stated that it is not a bad policy to reinforce.
- Director Calvo stated that at the same token the board should be looking at a bigger picture. He stated that as long as the budget is very clear, the board should be only approving those that are not in the budget.
- Chairman Mesa stated that the board could adopt new policies.
- GM Perez stated that he raised the issue for board clarification.

Background:

As part of the 365-day monitor campaign, ADK Japan will be sending 30 travel monitors to come to Guam to experience and partake in a number of activities in order to provide their feedback as part of the promotion. Ms. Mukai, GVB Osaka Marketing and Sales representative will assist and ensure the success of the promotion through the execution of all scheduled activities. It is critical that the monitors have a memorable experience, with that said, Ms. Mukai is being tapped to ensure the monitors needs are met in order to help meet the expectations and objectives of the campaign.

Breakdown is as follows:

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| Airfare (Air fare Courtesy Continental Airlines- Tax payment only) | \$400.00 |
| Guam Per Diem (\$62.50 x 4 days) | \$250.00 |
| <u>Contingency (Airport Transfer Cost in Japan)</u> | <u>\$100.00</u> |
| | \$750.00 |

Issue: Board approval required for all travel

- **Motion made by Director Baldyga, seconded by Director Arriola to approve travel for Ms. Ai Nagasawa, GVB Osaka Japan Marketing and Sales representative, to travel to Guam to assist "Guam Long Ride 2011" from January 20-25, 2011. Travel dates from January 20-25, 2011. (Estimated cost \$337.50; account #SMD008).
 Motion approved unanimously**

Background:

JTB Osaka is holding a cycling event similar to the "Honolulu Century Ride" on Guam January 23, 2011 with the cooperation of Continental Airlines. Roughly 100 participants are expected to join in the cycling event, which attracts a new potential market segment and further helps to stabilize flights out of Japan. JTB Japan has expressed an interest to continue this event on Guam. In response, GVB would like to send a GVB Japan representative to ensure the success of the event. Ms. Nagasawa will provide translation services at the starting and finishing area to also include support at the first aid location of the event.

Breakdown is as follows:

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| Airfare (Air fare Courtesy Continental Airlines- Tax payment only) | \$50.00 |
| Guam Per Diem (\$62.50 x 3 days) | \$187.50 |

January 13, 2011; 7





Contingency (Airport Transfer Cost in Japan) \$100.00
\$337.50

Issue: Board approval required for all travel

E. Korea Marketing:

- Nothing to report.

F. Existing Markets:

- Nothing to report.

G. New Market Development:

- Director Kloppenburg inquired who are his direct staffs contact.
- GM Perez replied Pilar Laguana and Gina Kono.

H. Destination Management:

- Director Limtiaco inquired which staffs are involved with his committee.
- GM Perez replied Doris Ada and June Sugawara.

I. Membership Development:

- Director Kloppenburg stated that all new board members have to join GVB membership.

J. Research:

- Nothing to report.

K. Cultural Heritage & Community Outreach:

- Director Arriola announced that the next committee meeting is scheduled for January 26th.
- Director Arriola announced that all board members are welcome to join the CHaCO committee meeting scheduled for the first Wednesday of the month, 3:30 pm in the main conference room.
- Director Arriola announced the first Guam Chamorro Dance Academy for FY2011 would take place January 28-31, 2011.

L. Sports & Events:

- Nothing to report.

❖ **EXECUTIVE SESSION**

- Chairman Mesa called for executive session to discuss personnel matters.
- Results of the executive session are reflected under New Business.

❖ **OLD BUSINESS:**

- No old business.

❖ **NEW BUSINESS:**



January 13, 2011; 8



- o Motion made by Director Calvo, seconded by Director Miyashita to terminate E. Galito in his capacity of DGM and hire Joann Camacho as Deputy General Manager of the Guam Visitors Bureau. 10 ayes, 1 abstention by Director Kloppenburg, motion approved
- o Motion made by Director Calvo, seconded by Director Limtiaco to terminate the contract with our current law firm, Lujan Aguigui & Perez, and to seek new counsel. Motion approved unanimously

❖ **ANNOUNCEMENTS**

- Chairman Mesa announced that the board meetings are held every second and fourth Thursdays of the month at 4:00 pm.
- Chairman Mesa announced that a MCA meeting is scheduled for Saturday, January 22nd from 10:00 am to 12 noon in GVB's main conference room.
- Chairman Mesa announced that a board orientation is scheduled for Monday, January 24th at 4:00 pm.

❖ **ADJOURNMENT:**

- o Motion made by Director Arriola, seconded by Director Calvo, to adjourn the meeting. Meeting Adjourned at 5:58 p.m.

Attested:

Mr. Monte Mesa, Chairman of the Board of Directors

Board Minutes prepared by Dina Rose Hernandez, Executive Secretary



January 13, 2011; 9