

**SPECIAL BOARD MEETING
GVB MAIN CONFERENCE ROOM, 4:00PM
THURSDAY; March 3, 2011**

Board of Directors Present:

Monte Mesa	Mark Baldyga
Hope Cristobal	Judy Flores
Bruce Kloppenburg	Theresa Arriola
Carol Tayama	Hayato Yoshino
Rizk Saad	

GVB Management and Staff Present:

Gerry Perez	Joann Camacho	Dee Hernandez
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Guests: Mr. Thomas Fisher & Ms. Georgette Concepcion, Fisher & Associates

❖ **Proceedings:**

Meeting called to order at 4:15 p.m. by Director Mesa.

❖ **BOARD OFFICERS AND COMMITTEE APPOINTMENTS**

- Motion made by Director Flores, seconded by Director Tayama, to affirm previous actions regarding board officers and committee appointments as follows:
 1. **Director Monte Mesa as Chairman of the Board**
 2. **Director Mark Baldyga as Vice-Chairman of the Board**
 3. **Director Hope Cristobal as Secretary/Treasurer** (note: can only serve as Secretary or Treasurer per GVB By-Laws Article VII Officers Section 1)
 4. **Chair Committees:**
 - a) **Administration and Government Relations – Hope Cristobal**
 - b) **Japan Marketing Committee – Mark Baldyga**
 - c) **Existing Markets Committee – Hayato Yoshino**
 - d) **New Market Development Committee – Bruce Kloppenburg**
 - e) **Destination Management – Vacant**
 - f) **Cultural Heritage and Community Outreach Committee – Theresa Arriola**
 - g) **Sports and Events Committee – Vacant**
 - h) **Membership Development – Bruce Kloppenburg as Interim Chair until such time that a chair is nominated.**
 - i) **Korea Marketing Committee – Vacant**
 - j) **Research Committee – Vacant**

Motion approved unanimously.



Discussion:

- Director Mesa stated that the vacant committee chairs will be appointed at the next regular board meeting.

❖ **EXECUTIVE COMMITTEE MOTIONS**

- **Motion made by Director Flores, seconded by Director Kloppenburg, to affirm ratification of 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).**

Motion approved unanimously.

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/
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.

- **Motion made by Director Kloppenburg, seconded by Director Arriola, to affirm ratification of 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.

Background: Ms. Pilar Laguafña 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.

Airfare @ \$2,250/pax	\$2,250 x 1 pax	\$ 2,250.00
Lodging @	\$108 x 3 days	\$ 324.00

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\$108/day	x 1 pax	
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.

Discussion:

- GM Perez reported that the Bureau received reimbursement from NTA for airfare and one day per diem.
- Motion made by Director Kloppenburg, seconded by Director Arriola, to ratify approval of the General Manager's travel to San Francisco, California for meetings with the Bond rating agencies during January 27-31, 2011. (Approximate travel cost: \$3,863.00, Account No. 100-5202-US-TTC043-0).

Motion approved unanimously.

Background: Mr. Perez will be attending meetings with GEDA and underwriters for presentations to bond rating agencies Assured Guaranty Corp and S&P as part of GVB's efforts to secure consolidated funding for various TAF and Guam projects per PL 30-228.

Airfare @ \$2,443	\$2,443 x 1 pax	\$ 2,443.00
Lodging @ \$177.50/day	\$177.50 x 5 days x 1 pax	\$ 887.50
Per Diem @ \$88.75/day	\$88.75 x 6 days x 1 pax	\$ 532.50
Estimated Total:		\$ 3,863.00

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

Discussion:

- GM Perez reported that the meetings went well. He stated that for the board's information, it looks like there will be an investment grade.
- GM Perez stated that the official SMP rate would come after a few other things. He stated that next week, they would be finalizing the presentation format for the investors and then go to pricing at the end of the month and closing sometime in April in Guam.
- Motion made by Director Baldyga, seconded by Director Kloppenburg, to ratify approval of travel for Mr. Yuji Mitsumori, GVB Japan Manager to travel to Guam to execute meetings, provide briefings and updates for the scheduled Japan Marketing Committee meeting on February 7, 2011. Travel dates from February 4-9, 2011. (Estimated cost \$812.50; account #SMD008).

Motion approved unanimously.



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Background: As a part of the board orientation, meetings including the first Japan Marketing Committee (JMC) with the new chairman, has been scheduled in February. Mr. Mitsumori will provide a report on market development and tourism industry relations within Japan. ADK will also present an update on our FY2011 activities.

Breakdown is as follows:

Airfare	\$500.00
Guam Per Diem (\$62.50 x 5 nights =)	\$312.50
<u>Contingency</u>	<u>\$0.00</u>
Total:	\$812.50

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

- o **Motion made by Director Baldyga, seconded by Director Arriola, to ratify approval of travel for the Board Chairman to travel to Miami, Florida, to attend and participate at the Seatrade Cruise Shipping Convention from March 14-17, 2011. (Estimated cost = \$4,381.25, Account No. 100-5201-CI-SMD023-0).**

Motion approved unanimously.

Background: The GVB, along with the Port Authority of Guam, PATA Micronesia Chapter, MVA, Kosrae Visitors Bureau, Palau Visitors Authority, Yap Visitors Bureau, and others, have formed the Micronesian Cruise Ship Association to pursue cruise shipping opportunities to Guam and the region. The Chairman will join the General Manager and the Port Authority of Guam delegation and others at the event for meetings and explore ways to further develop Guam's and the region's cruise ship industry as well as reveal to the industry the formation of the Micronesian Cruise Association.

Airfare @ \$2,800/pax	\$2,800 x 1 pax	\$ 2,800.00
Lodging – Miami @ \$188.75/day	\$188.75 x 5 days x 1 pax	\$943.75
Lodging – Houston @ \$136.25/day	\$136.25 x 1 day x 1 pax	\$136.25
Per Diem – Miami @ \$82.50/day	\$82.50 x 5 days x 1 pax	\$412.50
Per Diem – Houston @ \$88.75	\$88.75 x 1 day x 1 pax	\$ 88.75

Total **\$4,381.25**

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

Discussion:

- Director Kloppenburg commented that he thought that GM Perez is scheduled to attend the convention.
- GM Perez stated that yes; he was scheduled to attend when Chairman Mesa was still a member of the Port Board. He stated that now that Chairman Mesa is attending on behalf of the bureau, he couldn't justify why both should attend.
- Director Arriola inquired if someone from the Port would be attending the convention.



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- Chairman Mesa stated that it was budgeted when he was at the port. He stated that the port will be meeting next week and will ratify who will be attending.
 - GM Perez stated that this would be a significant event because the formation of MCA would be announced.
 - Director Kloppenburg inquired who chairs MCA.
 - Chairman Mesa stated that he is the Interim President for now.
 - GM Perez stated that CW Bordallo was invited to be part of the announcement with the Palau Ambassador & CNMI's Congressman Kilili.
 - Chairman Mesa stated that the invitation was also extended to all the other island government representatives to attend. He stated that the only person that attended last year was the Ambassador of Palau.
- **Motion made by Director Yoshino, seconded by Director Arriola, to ratify approval of travel for one (1) GVB staff and eight (8) Performers to attend the Philippine Travel Agents Association Travel Tour Expo, and the Guam Co-Op Campaign events from February 17-21, Philippines. (Estimated Cost \$15,000.00 Account: CP Overseas- PI/Number: CPO-005).
Motion approved unanimously.**

Delegation: 9/Pax: 1 GVB Staff, 8 Performers

Performa Budget:

Airfare: Roundtrip Economy In-kind	
Tax: \$20.00 x 9 pax	\$180.00
Honorarium: 3/days	
\$100 x 1/Musicians x 3/days = \$300	\$1350.00
\$50 x 7/Dancers x 3/days = \$1050	
Per Diem: @\$237 x 4 days = \$948	
\$948 x 9/pax = \$8,532	\$8532.00
Transportation:	\$1034.67
Sound Equipment:	\$933.33
Misc. Expenses:	\$2970.00
Estimated Total:	<u>\$15,000.00</u>

Background: The Philippines Travel Agent Association Travel Tour Expo is the biggest event for the travel and tourism industry. About 80,000 visitors were present in the 2010 edition, which had 461 booths representing 230 firms.

Guam's performers were presented with "Most Popular Performance" award and GVB for its marketing efforts garnered 1st Place – Best Marketing Efforts.

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

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Discussion:

- GM Perez reported that the cultural performers received the “Most Popular Performance” trophy.
 - P. Laguana stated that the performers did an outstanding job. She stated that they performed five times a day.
 - P. Laguana stated that the booth was converted to a stage and brochure conversational area.
 - P. Laguana stated that there was a lot of inquires with continental selling hundreds of packages.
 - Chairman Mesa stated that the booth next year, there is an opportunity for other GVB members to join and take advantage to participate. He stated that they could follow the JATA model to enhance Guam’s booth with supportive members of GVB.
 - P. Laguana stated they launched the new campaign, which is “GOT TO GO TO GUAM.” She stated that it is very trendy.
- **Motion made by Director Arriola, seconded by Director Kloppenburg, to ratify approval authorizing the General Manager as Chief Procurement Officer of the Bureau to begin negotiations with the highest ranked respondent for RFP: 2011-003 Event Director for Guam Micronesia Island Fair and Guam Ko’ko’ Road Race; and, if successful, enter into a contract.**
Motion approved unanimously.

Background: In accordance with 5GCA Ch.5 Guam Procurement Law, the Bureau issued a Request for Proposal 2011-003 for an Event Director for Guam Micronesia Island Fair and Guam Ko’ko’ Road Race. The proposals were evaluated and ranked by the Selection Committee on February 16, 2011.

Issue: Time sensitive and board approval required to proceed with projects.

Discussion:

- GM Perez stated that the Bureau is already four months behind in the planning process. He stated that there was no problem in the last three years because management had the option to renew the previous contract.
 - Director Cristobal inquired if the contract is also for three years.
 - GM Perez stated that the opportunity is for three years subject to satisfaction and approval of the board after each year.
 - GM Perez stated that Japan is waiting for details so that they could sell the packages.
 - Director Baldyga inquired what is the contract range.
 - GM Perez replied that the budget is \$150,000 for two events. He stated that the event value is about \$850,000 and the bureau is still paying under \$200,000.
 - GM Perez stated that the game plan is to grow the event value but keep the investment down. He stated that the event manager is responsible for orchestrating it all.
 - Director Arriola stated that the RFP has already gone through the procurement process so the need to do things in a timely manner and if there are any concerns from the board, to do it in the right way.
- **Motion made by Director Kloppenburg, seconded by Director Tayama, to ratify approval authorizing the General Manager as Chief Procurement Officer of the Bureau to begin negotiations with the**



highest ranked respondent for RFP: 2011-004 Legal Services; and, if successful, enter into a contract. Motion approved unanimously.

Background: The Agreement with the Guam Visitors Bureau's legal counsel with Lujan, Aguigui & Perez, LLP has expired and is in need of legal counsel representation to provide continuity in its operations, including legal representation, as mandated by its Board of Directors and 12 GCA CH. 9, as part of P.L. 17-32, as amended.

Issue: Time sensitive and board approval required to proceed.

Discussion:

- GM Perez introduced the new legal counsel, Mr. Tom Fisher and Ms. Georgette Concepcion.
- Mr. Fisher stated that he is happy to be attending the board meeting today.
- Chairman Mesa stated that GM Perez invited Mr. Fisher to attend the meeting on their own time to introduce them.
- Director Kloppenburg inquired how the Bureau entered into a contract.
- GM Perez stated that the negotiation is on an hourly rate, which is close to what was paid to the previous counsel.

- **Motion made by Director Kloppenburg, seconded by Director Cristobal, to ratify approval of travel for 16-member delegation to participate in the inaugural activities for Fly Guam in Hong Kong and Guangzhou from March 4 – 8, 2011. (Estimated travel cost is US\$22,097.00; Funds from FY2011 China Budget, Account CI-SMD023).**

Motion approved unanimously.

Delegation: 16 Pax:

- Ray Tenorio, Acting Governor of Guam
- Judith Won Pat – Speaker, Guam Legislature
- Tina Muna-Barnes – Senator, Guam Legislature
- Monte Mesa – Chairman, GVB Board of Directors
- GVB Senior Management
- 2 GVB Staff
- 9 Cultural Performers

Travel Itinerary:	March 4	GUM-SPN-HKG
	March 7	HKG-GHZ
	March 8	GHZ-HKG-SPN-GUM

Hong Kong Per Diem:

Governor/Speaker/Senator - \$622.70 x 3 days x 3 pax =	\$5,604.30
BOD & Mgmt - \$598.75 x 3 days x 2 pax =	\$3,592.50
GVB Staff - \$479 x 3 days x 2 pax =	\$2,874.00
Cultural Performers - \$144 x 3 days x 9 pax =	\$3,888.00

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Guangzhou Per Diem:

Governor/Speaker/Senator - \$432.90 x 1 days x 3 pax	\$1,298.70
BOD & Mgmt - \$416.25 x 1 day x 2 pax =	\$832.50
Staff - \$333 x 1 day x 2 pax =	\$666.00
Cultural Performers - \$149 x 1 day x 9 pax =	\$1,341.00

China Visa Processing Fee - \$160 each x 5 pax \$800.00

Honorariums:

3 Musicians x \$100 x 2/days =	\$600.00
6 Dancers x \$50 x 2/days =	\$600.00

Estimated Total: \$22,097.00

Background – Fly Guam will be inaugurating their air service on March 4, 2011 from Guam to Hong Kong via Saipan. In announcing their service, Fly Guam will host a reception and seminar for up to 300 travel agents and media in Hong Kong and Guangzhou. On February 25th, Fly Guam will introduce its service and equipment with an island fiesta to local government leaders, media and tourism professionals.

For the Guam-based inaugural passengers Fly Guam will cover their China Visa fees, airfare and ground transportation. Hotel and sound equipment for Performers are also being provided by Fly Guam.

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

Discussion:

- Chairman Mesa stated that the delegations have changed.
- GM Perez reported that the final number is 12. He stated that since there is a hotel rate that has been negotiated, the staff has reduced the per diem to reflect that.
- Chairman Mesa reported that he would not be traveling on this trip because he is committed to the arrival of the cruise ship on Monday.
- GM Perez reported that he would be representing management and G. Kono would be supervising the cultural dancers.

❖ **JAPAN MARKETING MOTIONS**

- **Motion made by Director Baldyga, seconded by Director Kloppenburg, to affirm previous approval of 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. (Estimated cost \$750.00; account #ADV001).**

Motion approved unanimously.

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.

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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:

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

- o **Motion made by Director Baldyga, seconded by Director Arriola, to affirm previous approval of 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:

Airfare (Air fare Courtesy Continental Airlines- Tax payment only)	\$ 50.00
Guam Per Diem (\$62.50 x 3 days)	\$187.50
<u>Contingency (Airport Transfer Cost in Japan)</u>	<u>\$100.00</u>
	\$337.50

Issue: Board approval required for all travel

❖ **EXECUTIVE SESSION MOTIONS**

- Chairman Mesa called for executive session to affirm actions taken during January 13th meeting.
- o **Motion made by Director Cristobal, seconded Director Arriola, to ratify executive session actions. 8 ayes, 1 abstention by Director Kloppenburg, motion approved.**

❖ **ADJOURNMENT:**

- o **Motion made by Director Arriola, seconded by Director Kloppenburg, to adjourn the meeting. Meeting Adjourned at 5:30 p.m.**



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Attested:

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

Board Minutes prepared by Dina Rose Hernandez, Executive Secretary



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