

**REGULAR BOARD MEETING**  
**GVB MAIN CONFERENCE ROOM, 4:00PM**  
**THURSDAY; April 14, 2011**

**Board of Directors Present:**

Chairman Monte Mesa	Vice-Chairman Mark Baldyga
Theresa Arriola	Hope Cristobal
Judy Flores	Rizk Saad
Bruce Kloppenburg	Hayato Yoshino
Oscar Miyashita	Champ Calvo
Nathan Taimanglo	

**Board of Directors Present Telephonically:**

**Board of Directors Absent:**

Carol Tayama	Jennifer Crisostomo
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**GVB Management and Staff Present:**

Joann Camacho	Gerry Perez	Nadine Leon Guerrero
Debi Phillips	June Sugawara	Felix Reyes
Doris Ada	Amanda Lawson	Amy Pangelinan
Haven Torres	Laurette Perez	Regina Nedlic
Charlene Hitosis	Jeffrey Mindo	Dee Hernandez

**Guests:** Atty. Tom Fisher

❖ **Proceedings:**

Meeting called to order at 4:12 p.m. by Chairman Mesa.

Review of the previous Regular Board minutes dated March 24, 2011.

- o Motion made by Director Cristobal, seconded by Director Flores, to approve the minutes of March 24, 2011.

Motion approved (subject to correction). Abstention by Director Kloppenburg.

❖ **Chairman's Report:**

- Chairman Mesa welcomed and introduced Director Nathan Taimanglo, Governor's appointee and youth representative for the board.
- Chairman Mesa stated the need to ratify the nomination of Mr. Oscar Miyashita as the 12<sup>th</sup> member of the board.
- o Motion made by Vice-Chairman Baldyga, seconded by Director Kloppenburg, to approve the selection of Mr. Oscar Miyashita, as the 12<sup>th</sup> member of the board.

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Motion approved.

- Motion made by Vice-Chairman Baldyga, seconded by Director Arriola, to approve the following committee chair assignments:

- Sports and Events Committee – Director Jennifer Crisostomo
- Korea Marketing Committee – Director Oscar Miyashita
- Research Committee – Director Nathan Taimanglo
- Membership Development – Director Bruce Kloppenburg

Motion approved.

- Chairman Mesa reported on the cruise market and the Route Asia trip. *He distributed MCA thumb drives to all board members present with his report on the thumb drive.*
- Chairman Mesa stated that it was also distributed at the Seatrade Cruise Conference in Miami.
- Chairman Mesa stated that he wants to paint a picture to the board on the strategy that is being looked at on going after a niche in the luxury cruise market.
- Chairman Mesa stated that for the last 41 years in the cruise industry, his report would give a good idea on the growth in the cruise industry worldwide, which is predominately out of the U.S and Europe.
- Chairman Mesa stated that it is a very lucrative business. He stated that in 2011 there are 212 cruise ships in the industry with 15 more ships being delivered this year.
- Director Calvo inquired how many levels or sizes are there.
- Chairman Mesa replied from 20 for luxury up to 3,000-passenger capacity.
- Chairman Mesa stated that the Queen Elizabeth II, which was built last year, is scheduled to sail in 2013 with a stop over on Guam. He stated that he is working with Cunard Lines on their scheduled stopover.
- Chairman Mesa stated that growth capacity in attracting the cruise industry is very high. He stated that there is a lot of potential in the cruise market for Guam, which is attractive for more port calls.
- Chairman Mesa stated that the goal is to build the region for a high-profile high-end cruise market. He stated that the presentation outlines the different types of cruise niche that are luxurious.
- Chairman Mesa stated there are exploration adventure and specialist upscale tours, which Guam wants to be in. He stated that there are about 100 to 150 high-end cruise ships that are available today.
- Chairman Mesa stated that they are not looking at the mass market but the narrow niche in the high-end market.
- Chairman Mesa stated that there are tour operators that are selling the packages. He stated that he is working with the Orion Expedition Cruises.
- Chairman Mesa stated studies show that there are more millionaires between the U.S. and Europe than the number of people in Australia, which is a fact.
- Chairman Mesa stated that Micronesia could deliver the experience in the culture and natural sites with a potential for growth. He stated that each island is unique in its own way.
- Chairman Mesa stated that a village in Papua New Guinea only allows up to 200 passes to see the unique and authentic sites, which is untapped by outside influence.
- Director Calvo inquired if they ever analyzed the ocean between the islands and if they are stable enough.
- Chairman Mesa replied yes, there are modern ships now that have stabilizers. He stated that they looked at the harbors in Palau, Pohnpei and Chuuk.
- Director Calvo inquired if there is a study that has issues about the route that is being proposed.



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- Chairman Mesa replied that NYK Azuka Cruise Ship that has been cruising Micronesia have looked at it. He stated that they want to do a tour but their ships are too large to port at some islands.
- Chairman Mesa stated that what needs to be done is to revitalized Hagatna and get the cruise terminal developed. He stated that a plan is being develop in Honduras and Jamaica that has similar architectural shape to Guam.
- Director Calvo stated that they have to come into the harbor.
- Chairman Mesa stated that they are working with the Army Corp of Engineers as well as some of the local engineers that are looking at the platform and to be able to extend it out, similar to what is being done in the Bahamas, which was completed last month.
- Director Calvo inquired with the discussion with the cruise liners, is the Hagatna Restoration a prerequisite to them considering Guam?
- Chairman Mesa replied no, they are already coming to Guam because they have seen the onshore experiences and the attractions that are available.
- Chairman Mesa stated that most of the visitors are from North America and Europe.
- Chairman Mesa stated that Guam has the cultural heritage village that the Hagatna Foundation is working on. He stated that Guam has interesting history, outstanding natural attractions, and ecosystems.
- Chairman Mesa stated that they are planning a Micronesian Cruise Ship Symposium, which would bring all the other islands to Guam to develop a luxury cruise ship strategy. He stated the need to go after the high-end region homeport cruisers and target luxury cruise ship liners for the regular port calls.
- Chairman Mesa stated that the Super Yacht is another cruise ship opportunity that is growing.
- Chairman Mesa stated the need to establish the onshore experience that is meaningful to people that are willing to pay for such experience. He stated the need to develop a cruise ship terminal facility, hopefully in Hagatna.
- Director Cristobal stated that she was in Hagatna yesterday and it stinks. She stated that if the cruise ships are going to be docked there, there is a need to take care of the secondary treatment plant.
- Director Miyashita inquired what is the next step for the specific plan of action.
- Chairman Mesa replied that it is one of the strategic plan issues that he is working on with G. Perez.
- Chairman Mesa stated the need to work with GWA on the problem with the treatment plant. He stated that it is unacceptable because of the development in the Chamorro Village.
- Chairman Mesa stated he doesn't know how the people and businesses could continue to be sustainable with the smell.
- Director Calvo stated that it is long-term to develop the facility, even if it is feasible; it is going to require a lot of money and work because the water is rough. He stated the need to develop some kind of receivership.
- Director Calvo stated that even if they are interested in Micronesia, the homeport of Guam should start off in Cabras.
- Vice-Chairman Baldyga stated the need to develop a breakwater.
- Chairman Mesa stated that there are examples that have been done in other resort islands similar to Guam. He stated that there was some engineering done that made it possible.

❖ **Acting General Manager's Report**

- Copies of Acting General Manager Joann Camacho's report were distributed to all Board members present during the meeting.
- AGM Camacho welcomed everyone to her first report.



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- Director Kloppenburg stated that in regards to the GIFT program, the passion was with Sato-san of Lam Lam Tours, who has since left. He stated the need to reassess on moving forward with the program because Mr. Sato was the driving force that engaged the Japanese communities.
- Director Kloppenburg stated that at the Barrigada GIFT, it was a very poor showing for the amount of time that was put into the program.
- AGM Camacho stated that it could be re-evaluated after the three GIFTs that are scheduled in May.
- Director Kloppenburg stated that at this point of time, there should be at least 100 – 150 pax per GIFT.
- Director Calvo inquired if that is how many pax that were attending at one point.
- Director Kloppenburg replied that many were participating when it first started then Sato-san left. He stated that a new management team was hired.
- Director Arriola suggested talking to them.
- Director Yoshino stated that there is a passion with Lam Lam Tours but there was no GIFT for six months. He stated the need to get the momentum going again and get the word out.
- AGM Camacho requested Director Yoshino's assistance in getting the flyers to all the hotels.
- Chairman Mesa stated the need to work with Lam Lam Tours and JTB to push it.
- Chairman Mesa stated that the 15 pax that attended Barrigada would speak loudly on their experience.
- Chairman Mesa inquired when EVA airline would be starting their flights to Guam.
- AGM Camacho replied in June. She stated that it is a low cost carrier from Taiwan similar to Jin Air from Korea.
- AGM Camacho stated that she got word from the airport that Continental would be starting their flights from Okinawa to Guam, four times a week, to commence on September 24<sup>th</sup>. She stated that it is in support of the Military Buildup.
- Director Calvo stated that he has attended functions with the Taiwanese group that came to Guam. He inquired if the Bureau has any care packets to give to the business travelers that are interested in investing in Guam.
- Director Calvo stated that even though they are on Guam for business, they would like to go out and eat at restaurants, play golf, and see the sights. He stated that they report back to their businesses and will make a decision if they want to come back.
- Director Calvo stated that the administration is planning trade missions to Taiwan, Korea and other places.
- AGM Camacho stated that the Bureau cooperates with GEDA, who is the lead agency.
- Director Calvo recommended getting GEDA, the Governor's office and the legislature their scheduled off island trips and find out what the purpose are and who are the intended groups. He suggested preparing packets to their needs.
- Director Calvo stated that most of the businesses go to places that they are comfortable with.
- AGM Camacho stated that there is a standard packet that is made available and the need to work closely with other agencies.
- Chairman Mesa stated that it could be done. He stated that his trip to Korea with the airport, the Bureau prepared packets.
- Chairman Mesa stated that the packet could be refined.
- AGM Camacho stated that there are activities on the HOT bond. She stated that if all goes well and there is no glitch as soon as tomorrow there would be news.
- AGM Camacho stated that the Governor's office called her today asking for priority of projects. She stated that the priority is the Guam Museum but everything else below that needs to be revisited by Director Cristobal's committee.



❖ **Report of the Treasurer:**

○ **Cash Position Report:**

- Cash report as of April 12, 2011.
- Total cash in banks report (as of 4/12/11) \$5,793,451.01
- Total allotment received to date: \$7,159,447.00

- Director Cristobal reported that the cash position report summary is attached to the board packet.
- Director Cristobal stated that Vice-Chairman Baldyga requested for a comparison from last year, which is attached to the board packet as well.
- Director Cristobal requested for board members to take a look at the reports.
- Chairman Mesa requested that the reports be distributed to board members by Monday during board week so that the members have enough time to review them.
- Vice-Chairman Baldyga stated that the report is very helpful and thanked accounting for a job well done.
- Chairman Mesa stated that he is glad that the staff responded accordingly to the request.

❖ **Report of the Board Committees:**

A. **The Strategic Advisory Council:**

- Nothing to report.

B. **Administration/Government Relations:**

- Director Cristobal reported that she met with Senator Barnes. She stated that Senator Barnes' request is to firm up the list of projects for the bond that was established at the last board meeting.
- Director Cristobal stated that the list reflects the original resolution that the last board passed last year with minor changes. She stated that her committee would be firming up the list.
- Director Cristobal stated that Senator Barnes is requesting for an official copy.
- AGM Camacho inquired what is the total amount of the other projects.
- Director Cristobal replied \$32 million.
- AGM Camacho stated that the amount is lower.
- Director Kloppenburg stated that it is a very important discussion that the board has to have but not at a board meeting. He stated that it is a lot of money and a lot of projects, which are a one-time deal and the need to be on the same page.
- Director Kloppenburg stated the need to discuss the ramifications of each project and how it will help in time and how it will help five years down the road.
- Director Arriola suggested scheduling a board session.
- Chairman Mesa stated that it requires one session to discuss the list.
- AGM Camacho stated that it has not been announced but would be within the next 24 hours.
- Chairman Mesa requested Tom Fisher to look into the law and look at what the board's fiduciary responsibilities are in regards to the bond.
- Atty. Fisher reported that he looked into the language, which is PL30-228, which allowed the bond issuance. He stated that he looked into what the relationship would be between the people of Guam and GVB in the expenditure of funds and others in the community.



- Atty. Fisher stated that board members to the extent are actually spending money that belongs to the Government of Guam and the relationship to the People of Guam. He stated that there is an Enforcement of Proper Spending Act that says that any agent or officer of the Government of Guam that spend public funds are asked to operate with proper level of care, diligence and duty that you would expect a person would do if they have the same information.
- Atty. Fisher stated that the money has to be spent in care, if not, a taxpayer could sue to stop the spending if they see that it is illegal or improper. He stated that they could get an injunctive order to stop spending and could get a personal judgment against that person to recover the money.
- Director Calvo stated that it is the hostile lawsuit.
- Atty. Fisher stated that it is a statute.
- Director Calvo inquired what is the board's responsibility. He stated that GVB is in the loop and made a presentation in San Francisco.
- Director Calvo inquired what is the level of responsibility does the board have. He stated that the board is not the decision maker but he feels that the money flows through GVB to a certain extent.
- Atty. Fisher stated that the duty and liability is attached to the board, as an officer or agent of Guam in handling the money.
- Director Calvo inquired if the money would flow through the board's decision body.
- Atty. Fisher replied that the way he understands it is that the money would be put into an account. He stated that it is not clear to him if GVB is also the manager of the funds.
- Atty. Fisher stated that the projects are going to be developed and GVB would approve it and then a contract would be entered into and is not sure if it is between the Governor of Guam and the contractor or GVB and the contractor.
- Director Arriola stated that the Governor's contracting arm is DPW.
- Director Kloppenburg stated that GVB has never been the contracting arm in the past but GVB submitted the original bill with the plans.
- Atty. Fisher stated that he is not sure if the board would be the one to green light a project or not.
- Director Calvo inquired if the board has to vote on the money being spent somewhere else.
- Atty. Fisher replied that it sounds like a recommendation to the Governor.
- Director Calvo stated that it is the HOT that secures the bond.
- Atty. Fisher stated that the Governor would be the spending agent for the bond.
- Director Calvo inquired if there is a step before it gets to the Governor. He stated that everyone is in the chain; at what point does the board have discretion or authority over the flow of the chain.
- Atty. Fisher reiterated that it sounds like the Bureau only recommends the projects.
- G. Perez stated that in the past what happens is the contract is between DPW and the contractor. He stated that DOA has to certify that the funds are there.
- G. Perez stated that in order for the money to be used someplace else; DPW has to certify that it does need the money for that purpose. He stated that it requires about 2 to 3 approvals.
- G. Perez stated that in the past, GVB only recommends.
- Atty. Fisher stated that the certifying officer is in the chain.
- Director Arriola stated that GVB is not the certifying officer.
- Director Calvo stated that it really is the mechanics. He stated that the Bureau was involved in the presentation and the revenue side.



- Director Calvo recommended getting a precise explanation of the mechanics on the receiving and expenditures of the funding.
  - Atty. Fisher stated that it is not clear to him through the statute mechanically on how it is going to work; on who is responsible in crafting the contract, etc.
  - Director Calvo stated that it is really whether the board has the authority or ability to say yes or no with respect on how the funds would be spent.
  - Atty. Fisher stated that going back to personal liability given the situation where the board is actually spending the money, then there is a liability but if the board is only recommending then there is no liability.
  - Director Cristobal stated that the other question is the prioritization of the projects as to the interpretation in the law. She stated that the meeting at the Governor's office, it was generally agreed that it was interpretable meaning you could move the priorities around.
  - Director Cristobal stated the need to know what the law says.
  - Chairman Mesa requested Atty. Fisher to summarize the order of spending priority that was recommended by the legislature.
  - Director Calvo stated that there are far more projects than money available.
  - Director Kloppenburg stated that there are critical issues that need to be funded and the need to work on it.
  - Director Cristobal recommended scheduling a meeting ASAP.
  - Chairman Mesa agreed.
  - Director Calvo suggested that Atty. Fisher look into and give a detailed mechanics of the flow of funds so that the board would know how it works.
  - Atty. Fisher stated that the answer to that is not in the public law.
  - Director Calvo stated that what concerns him as well is that GVB is also made up of private members. He stated that it is not only government immunity; is there liability to the membership.
  - Director Miyashita stated that is why it is very important to find out what is the board's responsibility.
  - Director Kloppenburg stated that the board has to submit a blue print to the governor and state this is what makes sense from the tourism prospective and give him the information he needs to make a decision on how he wants to spend the money.
  - Director Calvo stated that the board has a general obligation to the membership. He stated the need to be clear on how it actually works.
  - Director Kloppenburg stated that the board has been burnt in the past because if there is poor construction it has been determined that the board has no standing. He stated the need to determine if the board does have standing so that if the board is unhappy with something, it could have recourse.
  - Director Calvo stated that liability does not only flow through affirmative action, omission is the main cause of liability with the director, officer or employee.
- Motion made by Director Calvo, seconded by Director Cristobal, to have legal counsel do a little bit more research and the technical aspect on how the bond money flow through and the responsibility of the board.
- Motion approved.

**C. Executive Committee:**

- Motion made by Vice-Chairman Baldyga, seconded by Director Cristobal, ratifying 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 April 13-18 & April 22-25, 2011. Travel dates from April 13-25, 2011. (Estimated cost \$1,125; account #ADV001).  
Motion approved.

**Background:** As part of the 365-day monitor campaign, ADK Japan will be sending 190 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:

Airfare	\$400.00
Guam Per Diem (\$62.50 x 10 days)	\$625.00
Contingency (Airport Transfer Cost in Japan)	\$100.00
	<u>\$1,125.00</u>

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

**D. Japan Marketing:**

- Vice-Chairman Baldyga reported that JMC had one meeting since the disaster in Japan. He stated that they started half an hour early with a lot of input from all of the members.
- Vice-Chairman Baldyga suggested that the board members read through the JMC minutes attached to the board packet. He stated that there are a lot of good inputs from the members with all of their thoughts on how it would affect Guam.
- Vice-Chairman Baldyga reported that they went through the Japanese web usage and statistics. He stated that the information is available from N. Leon Guerrero, which is self-explanatory.
- Vice-Chairman Baldyga stated that the budget was recapped. He stated that the money is pushed back, which is useless to spend at this time and on the other hand, they have accelerated forward.
- Vice-Chairman Baldyga stated that the committee agreed to go on with the 365-monitor campaign primarily because the participants wanted to come. He stated that the people in the affected areas have been offered to join the third one but the rest wanted to get out of Japan.
- Vice-Chairman Baldyga stated that Goto-san, who visited every single city, had a great report for JMC. He stated that Goto-san reiterated that there is a lack of information in Japan from other NTOs.
- Vice-Chairman Baldyga stated that DFS was more optimistic at first, projecting 30% to 40%. He stated that they are now on track with the general consensus with 17% to 20% down with 25% down for April and 20% down for May.
- Vice-Chairman Baldyga stated that Guam has been impacted a lot less than other destinations.
- Director Calvo inquired where does Hawaii stand.
- Vice-Chairman Baldyga replied that they are 30% to 40% down. He stated that Hawaii and Europe are effected a lot more because of the long haul.
- Vice-Chairman Baldyga stated that intra-Asia with a lot of inbound to Japan has been completely cancelled so the airlines reduced their flights dramatically, which affected two directional travels.



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- Vice-Chairman Baldyga stated that group business is down 50%, which is 20% of total arrivals. He stated that it would be down to the end of the year.
- Vice-Chairman Baldyga stated that the recommendation of United is to promote in Western Japan, which is unaffected. He stated that Japanese don't want to travel when patriots are suffering but they could still be targeted.
- Vice-Chairman Baldyga stated that the problem is there is not much money to be spent. He stated that N. Leon Guerrero might be able to free about \$50,000 to \$100,000 from other sources to put towards spot marketing in Western Japan.
- Vice-Chairman Baldyga stated that he is not sure if it is necessary or a good idea but would ask N. Leon Guerrero and ADK for their input.
- N. Leon Guerrero stated that they were looking at arrival numbers from Japan and that Osaka and Nagoya are actually up in March in comparison to Tokyo and Tohoku area. She stated that people from Western Japan are actually travelling.
- N. Leon Guerrero stated the need to be sensitive with the message.
- Vice-Chairman Baldyga stated that Guam is doing a lot of fundraisers to assist and the need to get the dollar amount per capita.
- Director Calvo inquired how the message was put out.
- N. Leon Guerrero replied that there were a lot of activities that were held, charity concert at the Hilton, prayer vigil, Ko'ko' Kids Run, etc.
- Director Calvo inquired how it was taken to Japan.
- N. Leon Guerrero replied that there was a press release that was sent to Japan with all of the events.
- Chairman Mesa stated the need to quantify it.
- AGM Camacho stated that Delta co-sponsored the vigil.
- Director Calvo inquired if there was an outlet on the Internet.
- N. Leon Guerrero replied that it is already happening.
- A. Lawson stated that she communicates directly with the marketing offices and in turn they communicate directly with the travel agents and also with international media.
- Vice-Chairman Baldyga stated that it has been messaging well as it moves along.
- Director Cristobal announced that Chamorros with Japanese ancestry are holding a fundraiser next week at GCC with the assistance of Kevin Dietrich.
- Vice-Chairman Baldyga stated that someone pointed out that the MICE business and the group business in general would be in demand next year because of the cancellations this year. He stated that when the discussion with the budget with ADK comes up, he would make sure that there is a significant amount budgeted for it.
- Vice-Chairman Baldyga stated that on the budget side, ADK did a good job in coming up with a bi-monthly budget versus actual.
- Vice-Chairman Baldyga stated that N. Leon Guerrero got into the curve as usual and started putting together a 10% reduction in the budget assuming that HOT would be down and budget would get cut. He stated that she did a good job as usual.
- Vice-Chairman Baldyga stated that someone suggested which was a good idea that in order to message well that Guam is safe and clean and is a great place to come at this time is to get a FAM trip or a big media study trip. He stated that the big push back is that a lot of them don't want to get out of Japan.



- Vice-Chairman Baldyga stated that there is a big FAM trip scheduled and would see if it could be accelerated a little bit in the pre-summer.
- Vice-Chairman Baldyga stated that there was a recommendation to cut \$30,000 from JATA in taking the number of booths from 12 to 6. He stated that most of the JMC members agreed.
- Vice-Chairman Baldyga stated that N. Leon Guerrero informed him that it used to be bigger so cutting it from 12 to 6 is not a big impact. He stated that the suggestion was to hit the industry and see if they would pick up additional booths.
- Vice-Chairman Baldyga reported that the committee discussed the 2012 budget. He stated that ADK gave their first preview of what their thoughts are for 2012, which they made a great point.
- Vice-Chairman Baldyga stated that ADK showed that the world today is different than it was two months ago, the world of marketing in Japan. He stated the need to take a look at the 2012 strategy with respect to the tsunami.
- Vice-Chairman Baldyga stated that ADK's recommendation is the whole concept of pushing more towards yield, high image is great but in the environment at this time the focus should be on volume.
- Vice-Chairman Baldyga stated that the thought was to have a JMC strategic planning session not at a JMC meeting. He stated that it would be scheduled in two weeks.
- Vice-Chairman Baldyga stated that the discussion would be 2012. He welcomed all board members to attend.
- Vice-Chairman Baldyga announced that he would be attending his first JGTC meeting in Tokyo and would inform them that Guam is safe and clean.
- Director Kloppenburg inquired if he would be going to all the cities.
- Vice-Chairman Baldyga replied that that recommendation was to attend only Tokyo's meeting.
- Director Arriola inquired since JMC is already going through their budget process if there was a timeline for all other committees to submit their budget.
- Chairman Mesa replied yes, for FY 2012 it should be submitted by next month.
- AGM Camacho stated that the Governor submitted a 2-year budget to the legislature. She stated that she spoke to Bernie Artero this morning and Bernie stated that some kind of number was submitted to the legislature for GVB.
- Director Arriola stated that by June all committees should submit their budgets for board approval.
- Chairman Mesa agreed.
- Vice-Chairman Baldyga suggested to Chairman Mesa to put in the back pin on the comment that they discussed briefly. He stated that there is \$5 million on marketing spent and \$100,000 with respect to that is not a big percentage.
- Vice-Chairman Baldyga stated that the point is that JMC is in the middle of a business opportunity, everybody on Guam is under affected to other destinations with travelers not wanting long haul travel destination. He stated that it is a nice time to think about some strategic sort of tactical marketing spend in Japan.
- N. Leon Guerrero stated that she sent 3 slides to Vice-Chairman Baldyga, which part of it includes a newspaper ad to support JGTC, media FAMS from the unaffected areas and wrapping up the seminars with the travel agents with a total cost within \$110,000.
- Vice-Chairman Baldyga inquired if the cost is within the existing budget.
- N. Leon Guerrero replied that there is one section that requires board action to reallocate the amount. She stated that there is \$60,000 set aside for in-country research in Japan and all agreed that doing research right now would not help in the long-term with all the responses would be tsunami.



- N. Leon Guerrero stated that it would be okay to reallocate \$60,000 from research to promotions. She stated that what was done in Japan for research is to set aside money within Japan to do in-country research, which is separate from the Research Department budget.
- Motion made by Vice-Chairman Baldyga, seconded by Director Kloppenburg, to reallocate \$60,000 from Japan In-Country Research Account (SMD001) to Japan Advertising and Promotion (ADV001). Motion approved.

**E. Korea Marketing:**

- Director Miyashita stated that he has been working with R. Nedlic and have spoken to Henry Lee. He stated that the bottom line is that the cancellation rate is higher than Japan, with 25% down. He stated that earlier in the month it was 31% down and now down to 26%.
- Director Miyashita stated that last week there was a media FAM tour. He stated that they met with the Governor and stakeholders of GovGuam.
- Director Miyashita stated that the concern with the travelers is radiation on Guam. He stated that they are trying to dispel that.
- Director Calvo stated that with AGM Camacho's report Korea was up.
- Director Miyashita stated that the arrival is up but cancellation rate is up as well. He stated Henry would be in next week and would be bringing in some tour agents.
- Director Miyashita stated that he would be meeting with Henry. He announced that a KMC meeting is scheduled and would bring up the issue.
- Director Miyashita stated that he would like to get the key agents involved in KMC.
- Chairman Mesa stated that part of the mission of the airport was growing new flight routes direct from Busan into Guam. He stated that the airport is taking the lead to try and work with Jin Air and Busan Air in trying to get direct flights.
- Chairman Mesa stated that there are about 3 million people in Busan and they are traveling based on the outbound reports of Busan Airport, there are 1.2 million moving through the airport via Incheon.
- Chairman Mesa stated that there is opportunity for Jin Air as well as Busan Air. He stated that the airport is working on that and once it is solidified, the Bureau would partner up with the airport to do common marketing to fill the seat capacity out of the new airport.
- Chairman Mesa stated that in February, one tour agent in the third tier city organized a charter plane with Continental out of the third tier city airport direct into Guam. He stated that there is capacity in Korea and the need to focus in chasing after charters whether it is regular charters and start building it up.
- Chairman Mesa stated that it was done without the help of the Bureau. He stated that it was done through a tour company looking to make money, chartered the flight from Continental and delivered 160 people direct to Guam.
- Chairman Mesa stated that there is business to be had in Korea.

**F. Existing Markets:**

- Motion made by Director Yoshino, seconded by Director Arriola, to approve travel for the GVB Marketing Manager and Marketing Officer II to attend the 43<sup>rd</sup> U.S. Travel Association's Int'l Pow Wow from May 21-25, 2011 in San Francisco, CA and the Chamorro Cultural Fest on May 21 in San Diego, CA. (Travel cost approximately \$6,896.00; Acct. #US-TTC044-0).



Motion approved.

**Discussion**

- Chairman Mesa stated that he would be traveling on his own expense and would be in San Francisco area during Pow Wow and is able to attend.
- Director Flores stated that she would be attending the Chamorro Cultural Fest in San Diego on her own expense.

**Background:**

USTA International Pow Wow

- San Francisco, California
- Largest generator of travel to the USA
- 5,500 delegates from 70 countries
- 350-400 travel journalists from around the world
- Very successful GVB event

**Issue:** Board approval required for all travel.

- Motion made by Director Yoshino, seconded by Director Arriola, to approve travel for two (2) GVB marketing staff to attend the Scuba Show from June 4-5, 2011 in Long Beach, CA. (Travel cost approximately \$6,546.00; Acct. #US-TTC066-0).

Motion approved.

**Background**

- Long Beach, California
- More than 11,200 consumers and divers
- 72% looking for dive destinations at show
- Follow-up to increased interest at the LA Times Travel & Adventure Show, March 19-20
- Also a part of the FY2011 North America/Military Marketing Plan
- GVB absent from dive marketing for a few years

**Issue:** Board approval required for all travel.

**G. New Market Development:**

- Motion made by Director Kloppenburg, seconded by Director Cristobal, to approve travel for nine (9) delegates to attend the 7<sup>th</sup> International Forum on Chinese Outbound Tourism (IFCOT) scheduled for June 15-16, 2011 in Beijing, China. (Estimated cost of travel is \$20,000 total from the FY2011 China Budget Account: CI-TTC075).

Motion approved.

**Pro Forma Budget:**

Airfare (Guam-Beijing-Guam)	\$1,000.00 x 9 pax	9,000.00
Governor Eddie Calvo	\$410.80/day x 1 pax x 3 days	1,232.40



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Sen. Tina Muna-Barnes	\$410.80/day x 1 pax x 3 days	1,232.40
Gerry Perez (Keynote Speaker)	\$316/day x 1 pax x 3 days	948.00
GVB Board Member	\$395/day x 1 pax x 3 days	1,185.00
GVB Staff (2 pax)	\$316/day x 2 pax x 4 days	2,528.00
Musicians (2 pax)	\$316/day x 2 pax x 3 days	1,896.00
Miss Guam or female dancer	\$316/day x 1 pax x 3 days	948.00
Honorarium	\$100/day x 3 pax x 1 day	300.00
Miscellaneous Expenses		730.20
<b>Total</b>		<b>\$20,000.00</b>

### **Background**

Since 2003, the Beijing Tourism Administration, UNWTO, PATA China Association of Travel Services; and Ivy Alliance Tourism Consulting Co., Ltd have successfully organized IFCOT. GVB has an opportunity for face-to-face discussion with CNTA on the hot issues in China outbound travel market, share opinions and experiences and build up business relationships. Other participants are senior officials from China National Tourism Administration; Beijing Tourism Administration; China Tourism Association; China Association of Travel Services; UNWTO; PATA; presidents or general managers from the leading tourism groups (i.e. CCT, CITS, CTS, CYTS, GZL, etc.) in China; more than 100 general managers and outbound department managers from leading outbound tour operators and travel agencies all around China; senior officials from the tourism ministry or tourist boards of approved tourism destinations for Chinese citizens; China outbound tourism quality service suppliers; and about 50 travel trade, financial and popular media.

For the past two years, GVB hosted the “Theme Gala-Guam Night”. This is an award presentation event towards the end of IFCOT, which GVB will be hosting. The senior official of Guam Visitors Bureau will be an award presenter during the evening. Award recipients are from the China media.

**Issue:** Board approval required for travel.

- Director Kloppenburg stated that there is a lot of false information out there in regards to timelines and a lot of window of opportunities are closing. He stated that it is not.
- Director Kloppenburg stated that there is a definite plan in place that is being worked on. He stated that the people that have to be engaged in the process are totally engaged, from Adelup to the Congresswoman’s office.
- Director Kloppenburg stated that there is a campaign to write a letter to DHS, which might be helpful but not important at this time. He stated that when it is important, he would inform the board.
- Director Calvo commented that he has been engaged with the effort and there has been mixed signals. He stated that there is an effort in the CNMI to get the program finalized and some things that can’t be changed.
- Director Calvo stated that they have temporary Parole Authority. He stated that what he heard from the CNMI advisors is why isn’t Guam jumping and sending thousands of letters out because there is a comment period.
- Director Calvo stated that the comment that they are referring to is the Hong Kong visa waiver and how China and Russia wasn’t included. He stated that the folks on Guam don’t feel that it is the most effective approach as Director Kloppenburg has indicated.
- Director Calvo stated that it won’t hurt but the progress is at the administration level and the congresswoman’s level. He stated that they are talking to the right people.



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- Director Calvo stated that there is an issue that distinguishes Guam because of the military buildup that perceives DOD concerns. He stated that DOD has stated that they have no opposition; there is a perception that DOD doesn't want it as it applies to Guam.
- Director Calvo stated that there is some private sector like DFS that is heavily involved to work on it including a lobbyist on their own to contact Washington. He stated that there is a coordinated effort in communication between the Governor's office, the Congresswoman's office and other various contacts in Washington including Senators and Congressional people.
- Director Calvo stated that there was a joint letter that went out from the Governors of CNMI and Guam about the program. He stated that Guam is prioritizing it because there is a small window to turn in comments and get it finalized.
- Director Calvo stated that the Governor has been communicating with DHS and is traveling in early May to do meetings with various people. He stated that they are doing everything they can.
- Vice-Chairman Baldyga inquired if there is a prognosis for likelihood.
- Director Kloppenburg replied that Homeland Security is sitting on it because they have no reason to move; it is like status quo. He stated the need to push them in the right direction.
- Director Kloppenburg stated that the right people are there with a written brief. He stated that the brief details how to get them to move, which does not involve the Bureau.
- Director Kloppenburg stated that the chances are good. He stated that he is convinced that Guam would get Parole Authority at some point in time.
- Director Kloppenburg stated that the visa waiver is a different issue.

#### **H. Destination Management:**

- Director Saad reported that the goals of the Destination Management Committee are in line with the Five-Year Strategic Plan. DMC will be working closely with the Lt. Governor's Beautification Task Force and other agencies that play a very important role in making Guam a safe and beautiful destination.
- Director Saad reported on the following:

##### **Tumon & Hagatna Beach Cleaning**

- Matapang Beach Park dumpster and beach receptacles are frequently used by the general public to dispose household trash, construction material, tires, glass, etc.
- Broken glass and wire are also being disposed along the beach, making the grass and sand unsafe.
- Trash bin collection will be scheduled to begin before 8 am.
- Recommendation was made to upgrade existing concrete bins.
- Private sector support will be sought for donation of receptacles as part of the Adopt-a-Park/Beach program revival.
- Better enforcement, public awareness and disposal programs are necessary.
- Inspection tour of Tumon and Hagatna would be arranged.
- Lt. Governor's Beautification Task Force will lead a subcommittee to address these issues.

##### **San Vitores Road**

##### **Tumon Landscaping Maintenance**



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- Additional funding needed for grass cutting between Westin and Nikko, currently not part of TLM contract.

**Flooding at Sandcastle**

- Flooding occurs when water table at Fujita ponding basin reaches full capacity and cannot percolate excess water.
- Proposed solution: pump water up Happy Landing Road to the water plant in Harmon. DPW will determine overall cost.
- Money was previously identified for plan but former DPW management never signed off on project.
- Suggestion to use pump truck will be considered.

**San Vitores Road Resurfacing**

- Work in progress. Estimated completion date by May.
- Bank of Guam intersection and sidewalk repair by Maeda to begin soon. Funded by GWA.

**San Vitores Street Lights**

- Total 330 light poles. 183 operable and 147 inoperable.
- Problems also due to defective wiring.
- GPA awarded \$2.5 million ARRA grant to replace conventional streetlights in Tumon and other showcase areas.
- MOU between GPA and Guam Energy Office still at BBMR as of April 8<sup>th</sup>.
- Joann Camacho will follow up with State Clearinghouse to avoid risk of losing funds. 64% must be expended or encumbered on or before Sept 30, 2011.
- Inspection of Tumon San Vitores will soon be arranged.

**Signage**

- DPW's Inspection Section is understaffed but manpower will be used from other divisions to beef up enforcement.
- Legislature considering enforcement alternatives such as increasing enforcement staff or allowing municipality authority to issue citations.
- Following steps to be taken: identify violators, issue letter of warning (receipt acknowledged by business owner) and withhold business license renewal until the establishment complies.

**Safety**

- GPD Tumon Precinct is inadequately staffed and equipment and vehicles are in need of repair and service.

**Security Cameras**

- 10 cameras are installed throughout Tumon but only one is operational (by old GMH)
- No available funding to determine problem and fund repair of camera system.
- GHRA will look into matter and seek necessary resources to restore system.

**Adult Redistricting Legislation**

- Bill in current form not likely to garner support for passage into law
- H-Zone (hotel zone) being explored as amenable alternative for existing business establishments.



- H-Zone would define requirements within zone, such as specific sign laws, redefinition of adult entertainment, etc.
- H-Zone bill proposes 5-year plan that will limit number of business licenses and reduce number of adult entertainment businesses by attrition.
- A subcommittee will be led by a representative from Senator Muna-Barnes' Office to address this and other issues requiring legislative action.

#### **Abandoned Buildings**

- DPW has authority to repair, vacate or demolish unsafe buildings.
- Five abandoned buildings identified as priority: (1) Hong Kong Bldg across 76 Gas Station; (2) Former Marianas Trench across King's; (3) Bldg across Tamuning Shirley's; (4) Western Gun Club west of Tumon Sands; and (5) Bldg across San Vitores Church.

#### **Islandwide Roadway Maintenance**

- Littering and illegal dumping along Guam's roadways remain a major concern.
- Road medians an eyesore because of constant disposal of cigarette butts and trash by public, which makes median cleanup more time-consuming than necessary.
- Many construction dump trucks cause coral spillage. TGE inspectors have spoken with contractors.
- Island inspection tour scheduled in near future.

#### **Tour Guide Certification Program**

- Rules and Regulations & Training Curriculum to be reassessed and updated.
- Recommend abbreviated version of tour guide training for hotels and restaurants and other tourism industry employees.
- May 2011 is the next available tour guide class.
- Dededo Mayor Savares will lead subcommittee

#### **Tsunami Warning Sirens**

- Tsunami Warning System purchased by Homeland Security has been in storage for past five years. Issue is tied a procurement protest.
- Ms. Joann Camacho will meet with Homeland Security to discuss and resolve existing issues.
- Mr. Branch will check into the current status and report back to committee.

#### **Budget Matters**

Board to consider increases for FY12:

- **Visitor Safety.** FY11 budget @ \$132,000.00. More money needed to support tour guide enforcement and effective implementation of visitor safety projects.
- Beach Cleaning increase for:
  - Trash pick up from 6x per week to 7x per week
  - Additional raking & trash pickup 4x/wk for proposed Lina'la Village
  - Additional trash removal for proposed addition of bins
  - Trimming of trees along beaches
- Tumon Landscaping increase for: grass cutting between Westin and Nikko.





❖ Gov Calvo will implement 2-yr budget cycle. Future contracts to follow suit.

**Subcommittees:**

Established to focus on specific issues and solutions and report back to DMC:

Beautification/Infrastructure: Chaired by Lt. Gov's Beautification Task Force

Tour Guide Certification: Chaired by Mayor Savares

Legislation: Chaired by Legislative Committee on Tourism

Safety & Security: Chaired by GPD

Rev and Tax plays important enforcement role and should be part of subcommittees.

**I. Membership Development:**

- Director Kloppenburg stated that an elected member should chair the development.
- Director Kloppenburg stated that he should stay on as the chairman.
- Chairman Mesa agreed.

**J. Research:**

- Director Taimanglo stated that he had a discussion with Chairman Mesa and informed him that everyone thinks outside of the box but the Chairman recommended staying inside the box.
- Director Taimanglo stated that he would try to enhance the visa waiver program.
- Director Taimanglo stated that there is a lot that can be done outside of what is normally done but will enhance on what is already there.

**K. Cultural Heritage & Community Outreach:**

- Director Flores announced that a meeting is scheduled for Thursday, April 21<sup>st</sup>.
- Director Flores reported that the Chamorro Conference was a success.
- Chairman Mesa stated that it was very well done.
- Director Flores stated that there was a good mix of industry people, practitioners, vendors and teachers. She stated that out of all the conferences, CHaCo came out with a lot of goals and action items.
- Director Flores stated that there would be a debriefing at the next meeting.
- Chairman Mesa stated that PBS supported the conference by putting it through the system.
- Director Flores stated that it is a two 30-minutes segment, which would be aired. She stated that there would also be a digital version on Guampedia.com.

**L. Sports & Events:**

- Motion made by Director Kloppenburg, seconded by Director Cristobal, to approve travel for 5 pax to participate in the Toyohiragawa Marathon, Sister Race Agreement Ceremony and Awards Ceremony in Sapporo, Japan from May 2 – 6, 2011 (Estimated cost up to \$9,500.00; Acct. No. GRA-001).  
Motion approved.

Airfare: \$950.00 x 5 pax	=	\$4,750.00
Per Diem	=	\$3,600.00
Professional Fee: Miss Guam: \$100 x 2 days	=	\$ 200.00
Misc Expenses:	=	\$ 950.00



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TOTAL EXPENSE: = \$9,500.00

**Background:** Nikkan Sports Hokkaido will be promoting the Guam Ko'ko' Road Race Tour "Let's go the Guam for Ekiden Race" during the Toyohiragawa Marathon. On May 3<sup>rd</sup>, a three year Sister Marathon Agreement will be signed, which will incorporate an invitation to the top female and male runners of the 2011, 2012 and 2013 Guam Ko'ko' Road Race.

**Issue:** Board approval needed for all travel.

❖ **EXECUTIVE SESSION**

➤ Chairman Mesa called for executive session.

❖ **OLD BUSINESS:**

➤ No old business.

❖ **NEW BUSINESS:**

➤ No new business.

❖ **ANNOUNCEMENTS**

➤ No announcements.

❖ **ADJOURNMENT:**

○ Motion made by Director Arriola, seconded by Director Kloppenburg, to adjourn the meeting. Meeting adjourned at 6:30 p.m.

Attested:

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

  
\_\_\_\_\_

Board Minutes prepared by Dina Rose Hernandez, Executive Secretary