REGULAR BOARD MEETING
GVB MAIN CONFERENCE ROOM, 4:00PM
THURSDAY; June 23, 2011

Board of Directors Present:
Chairman Monte Mesa  Vice-Chairman Mark Balduyo
Champ Calvo  Jennifer Crisostomo
Hope Cristobal  Bruce Kloppenburg
Hayato Yoshino  Judy Flores
Oscar Miyashita  Theresa Arriola
Nathan Taimanglo

Board of Directors Present Telephonically:
Rizk Saad

Board of Directors Absent:
Carol Tayama

GVB Management and Staff Present:
Joann Camacho  Gerry Perez  Pilar Laguana
Rose Cunliffe  Nadine Leon Guerrero  Debi Phillips
Gina Kono  June Sugawara  Felix Reyes
Regina Nedlic  Doris Ada  Laurette Perez
Charlene Hitosis  Jeffrey Mindo  Dee Hernandez

Guests: Geraldine Castillo & Matt Weiss - Marianas Variety; Meika Dunagan, Shayra Afaisal, Katarina Martinez, Gabrielle Duenas, Davilynn Perez, Nicole Heath, & Alex Sanchez – Miss Universe Guam; Naiomie Santos – Miss Asia Pacific World; Anna Calvo – Miss Earth Guam 2011

❖ Proceedings:
Meeting called to order at 4:03 p.m. by Chairman Mesa.
Review of the previous Regular Board minutes dated June 9, 2011.
  Motion made by Director Kloppenburg, seconded by Director Cristobal, to approve the minutes of June 9, 2011.
  Motion approved (subject to correction).

❖ Chairman’s Report:
  > Chairman Mesa updated the board on the inaugural flight of EVA Airlines. He stated that the owners of the airline are very happy.
  > Chairman Mesa stated that they had expressed an interest and desire to start the direct flight. He stated that it was well received.

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Chairman Mesa stated that GIAA and GVB hosted a reception on Tuesday in their honor. He stated that they are looking forward on getting the load factor out of Taiwan.

Chairman Mesa stated that in today’s paper in regards to the Taiwan Market, 28 charter flights are being scheduled for July and August. He stated that it would increase capacity, which is great news.

Chairman Mesa thanked all the board members that participated in the budget review with the committees. He stated that the budget is the major item in today’s meeting to discuss and also proceed with the ratification, which will be submitted to the Legislature.

**General Manager’s Report**
- Copies of General Manager Joann Camacho’s report were distributed to all Board members present during the meeting.

GM Camacho announced that the winners of the Miss Universe Guam and Miss Earth Guam are present today to introduce themselves to the board. She stated that they would be going through an orientation on what to expect and do when they are at a function for the Bureau either on or off island.

*Miss Universe Guam and Miss Earth Guam introduced themselves to the board.*

Chairman Mesa stated that he is looking forward to some of the trips that the girls would be taking. He stated that he is sure that they would represent the island very well.

**Report of the Treasurer:**
- **Cash Position Report:**
  - Cash report as of June 17, 2011.
  - Total cash in banks report (as of 6/17/11) $5,650,647.36
  - Total allotment received to date: $9,539,061.00


Director Cristobal reported that the reports were sent out to the board members a few days ago.

Chairman Mesa stated that the treasurer has followed the recommendation of the board in preparing the documents. He suggested that the board members review the reports and if there were any concerns that it would be brought up at the next board meeting.

**Report of the Board Committees:**

A. **The Strategic Advisory Council:**
   - Nothing to report.

B. **Administration/Government Relations:**
   - Chairman Mesa stated that all the board members had received their budget outline, which is the proposed budget for FY2012 and FY2013. He stated that for comparison the right hand column is the FY2011 budget.
   - Chairman Mesa stated that each committee chairman would make an explanation as to any variances or highlights of their respective budget requests.

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Director Calvo inquired if the Bureau normally does a two-year budget.
GM Camacho replied that the only reason is because the administration requested for a two-year budget that would be submitted to the Legislature. She stated that the only difference between FY2012 and FY2013 is the administration cost because of payroll and health insurance.
Director Arriola stated that she didn’t know that the board was dealing with a two-year budget. She stated that as long as the Bureau could submit a supplemental budget it is fine with her.
Director Arriola stated that she is not able to speak on behalf of her committee regarding FY2013 budget because they did not discuss it.
Chairman Mesa stated that the main funding to be discussed is FY2012.
Chairman Mesa stated that even if FY2013 is submitted to the Legislature, they are only approving FY2012 budgets.
Director Miyashita inquired if FY2013 is strictly for informational purposes to the Legislature.
Director Kloppenburg replied that he does not know because it was never discussed in the budget review.
GM Camacho stated that the administration wants to submit a two-year budget, more on the operational side. She stated that for today’s meetings the board should approve FY2012 budget noting that FY2013 was not approved by the board.
Director Miyashita inquired why is the board even discussing FY2013.
Rose Cunliffe replied that when she had a meeting with Senator Barnes, she requested for a two-year budget and if the numbers change, they could go back for a supplemental budget.
Director Arriola stated that she doesn’t think that the legislature would approve a two-year budget.
GM Camacho reiterated that the Governor is submitting a two-year budget. She stated that for the Bureau’s purpose, to approve the FY2012 budget, which will be submitted to the Legislature.
Director Arriola requested to clarify with the Legislature the FY2013 budget submission.
Chairman Mesa stated that the primary objective of the budget is FY2012. He stated that FY2013 is for reference and informational purposes because the Legislature by law can only budget on a yearly basis.
Chairman Mesa reiterated to focus on FY2012 and to make sure that the Bureau is prepared for the new fiscal year.
Vice-Chairman Baldyga reported that Japan is basically flat to prior years just by way of longer-term reference. He stated that it used to be as high as $8.5 million a year but the spend per pax has been consistent at 5 to 6 dollars per visitor in marketing expense.
Vice-Chairman Baldyga stated that Korea’s budget is going up 18%, Taiwan 15%, China-Hong Kong-Russia 16%, which is overall 10% and Japan is requesting to stay flat. He stated that his only concern is that if the Legislature takes the overall budget and pulls it back to FY2011, he cautions that the board does not proportionally reduce Japan.
Director Kloppenburg stated that Japan is still the core market.
Director Arriola stated that what Vice-Chairman Baldyga is suggesting is that if the Legislature reverts back to FY2011 level then the board should stay just within the 2011 level and not decrease it by 10%.
Vice-Chairman Baldyga stated not necessarily because if you look at China-Russia’s budget, it is very important so what he is saying is that Japan shouldn’t give anything up but if the Bureau ends up taking a 15% hit for example on everything, he doesn’t feel that 15% should be taken out of Japan.
Vice-Chairman Baldyga stated that he is fine with supporting the purpose budget, but if the Legislature does cut the budget then it should be proportioned out.

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Director Miyashita reported that Korea is requesting for an additional budget of $172,000. He stated that Korea is the second largest market and during the difficult times as a result of the triple disaster in Japan, Korea was hit but was able to stabilize and sustain, which shows the importance of Korea.

Director Miyashita stated that Jin Air is now flying on a regular basis and the fact also that there are additional charter flights out of Korea. He stated that there used to be a lot of Korean visitors to Guam shows that there is a need to really base the marketing efforts in Korea to ensure the increase of visitors.

Director Miyashita stated that GM Camacho stated that Guam is doing okay but he feels that it could be better from Korea. He stated that in order to do that the sales representative had requested the $172,000 and the KMC committee is requesting that the board approves the increase.

Director Miyashita stated that out of the $172,000, $126,000 is allocated to sales marketing development which includes $20,000 for the renewal of GVB Korea website, application development $30,000, bimonthly sales call to Busan & Kwangju agents $6,000, Miss Korea pageant swim suit shooting in Guam $50,000 and the blogger invitation bi-monthly for target market $20,000.

Director Miyashita stated that also included in the $172,000 is the trade/travel/consumer/seminars $11,000 relative to Hana Tour International Travel Fair $6,000 and Kwangju Seminar/road show $5,000. He stated that they would be increasing the advertising to the new format, which is $35,000.

Director Yoshino stated that the Taiwan Market is increased by $30,000 because the social media marketing in Taiwan is very successful. He stated that the Pacific/Micronesia/Australia/Europe is flat so there is no increase for this year.

Director Yoshino stated that the Philippine Market has an increase because of the importance of social media.

Director Calvo inquired what is the social marketing effort.

Director Yoshino replied that it is for the Internet.

GM Camacho stated that it is the new way of marketing.

Director Calvo stated that he is wondering on the incremental cost because if you are already into the social media is the $30,000 to expand it.

P. Laguana replied that in the Philippines, they use a lot of mobile marketing. She stated that the Bureau never had the benefit of expanding the market reach to the users.

Director Arricola stated that you have to purchase the names similar to Guam, which allows them to text to the promotional messages.

P. Laguana stated that the Bureau develops campaigns with stakeholders to do promotions and shopping bonanzas in Guam. She stated that they develop packages that needs to be marketed to consumers so the need to use all forms of electronic communications to penetrate the markets and get the messages out.

Director Calvo stated that he just wants to understand that it is on the marketing side and not in the network side because it is already in the network.

P. Laguana stated that it is putting new products on the campaign to drive it.

Director Calvo stated that in regards to Taiwan, the increase is $33,000 and it seems that there is a lot of interest both in the visitors’ side and also on the business side. He inquired if the increase is enough in the Taiwan Market because of what he has seen is the Taiwan delegations and consulate are very active in promoting Guam and the amount is not reflective of it.

GM Camacho stated that part of it has to do with a lot of investment interest and scoping out. She stated that there would be a marketing meeting between GVB, GEDA and GIAA.

Director Calvo stated that there seems to be more potential out of Taiwan and wanted to know if the $33,000 is enough to cover what is out there.

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GM Camacho stated that she was told to keep things flat.

Director Calvo stated that he met with some Taiwanese today and they were discussing EVA Air, 50 couples to get married with their group is about 500 pax for the first time. He stated that they are trying to open up the Taiwan industry wedding into Guam.

Director Calvo stated that there is a function scheduled for July. He stated that there are actions coming out of Taiwan.

Director Kloppenburg inquired if the Bureau is engaged with the wedding group out of Taiwan.

P. Laguana replied no. She stated that Watabe being a GVB member has been very active in expanding their operations globally with an office in Taiwan, Shanghai, Hong Kong and all over Japan.

P. Laguana stated that the company that Director Calvo is referring to is another party that is trying to develop the wedding market. She stated that the wedding on Guam is becoming more recognized.

Director Yoshino stated that Korea Market is about four times larger than the Taiwan Market.

Director Yoshino stated that the amount is justifiable. He stated that maybe he could request for more.

Director Calvo stated that he is not talking about historical data but about prospective data. He stated that it seems that over the first quarter of the year he is getting more indications about Taiwan.

Director Calvo stated that the Taipei Consul is very aggressive. He stated that there were about 4 functions with the Government with delegations coming to Guam and with EVA Air starting and the wedding group coming, the need to get behind and push that kind of business.

Director Calvo stated that he understands that Japan and Korea is bigger than Taiwan but it seems that the Bureau wants to grow the market.

Vice-Chairman Baldyga inquired what is the market share out of Taiwan.

Chairman Mesa replied that there is potential there but to Director Calvo's point and EVA Air being a conduit to critical mass of seat capacity, he inquired in the $33,0000, is there anything to support some cooperative program.

P. Laguana replied yes, there is money there to do joint promotions.

Director Kloppenburg stated the need to look at the outbound international travel.

Vice-Chairman Baldyga stated that the outbound market share for the outbound Taiwanese is .33%.

Chairman Mesa stated that there is definitely potential out of Taiwan. He stated that if EVA Air is making the commitment and the need to make sure that it succeeds because there is the need for the additional capacity out of Taiwan.

P. Laguana stated that there are now a lot of seats to be filled in the market place. She stated there are three carriers in the market place and the Bureau wants to see them all succeed.

P. Laguana stated that the budget in Taiwan is all part of the three players. She stated that Continental has come into the market and gone with loyal travel agents to support their charters.

P. Laguana stated that there is a lot of potential with Taiwan. She stated the need to remember that Guam attracts a lot of business investment from Taiwan.

P. Laguana stated that the Bureau works hand in hand with GEDA and other business interests. She stated that sometimes it is business related work that leads to tourism business, which is good for Guam.

P. Laguana stated that she tries to stay within the rollover or the status quo budget. She stated that all of the markets could use increases.

Director Calvo stated that maybe because he spent time with the Taiwanese, but if you look at it with the events, EVA Air and the wedding industry potential that is manifesting itself, he suggested revisiting Taiwan and the China-Russia would be contingent upon visa waiver.
P. Laguana stated that if the board wants to give a little more money, she would take it.
Director Kloppenburg inquired if Taiwan is a leisure travel market or a business travel market.
P. Laguana stated that the work that is done is to go after the leisure travel market and MICE.
Director Calvo stated that it is both.
P. Laguana stated that GVB is a visitors’ bureau not a tourists’ bureau.
Director Calvo stated that the Bureau didn’t know about the wedding group.
P. Laguana stated that there are a lot of groups coming. She stated that EVA Air is booked up to August.
P. Laguana stated that there is a group arriving that is into technology, a group of 103.
Director Arriola stated that Director Calvo’s comments are to the point but she wanted to inquire if possible, now that EVA Air is committed to the market did the marketing staff have a sit down and see EVA Air programs that the Bureau could coop with.
P. Laguana stated that she has been wooing EVA Air for about two years. She stated that every time she goes to Taiwan, it is something that she works on and the Taiwan office works with EVA Air continuously.
Director Arriola stated that the programming that the Bureau will have is coop advertising.
Director Calvo inquired if the amount budgeted is tied in with what EVA Air is going to do.
P. Laguana replied yes, there would be a lot of things done with EVA Air, China Airlines and Continental/United.
Director Miyashita suggested that the staff revisit on whether to request for a supplemental budget in light of the discussions.
Chairman Mesa stated that it is a good suggestion because there is potential out of Taiwan. He stated that the board is supporting the marketing team to work for the airlines and come up with good programs to sustain that and assist them to grow out of Taiwan.
Chairman Mesa stated that it is one market that the board is saying that needs to grow and potentially increase the frequency.
GM Camacho stated that she would revisit the Taiwan budget.
Director Kloppenburg reported that China/Russia/Hong Kong was combined last fiscal year but was proposed in breaking it out to China/Russia and Hong Kong.
Director Kloppenburg stated that the proposed budget for Russia is $100,000. He stated that he is not sure if the visa waiver is going anywhere but the money would go back into China if necessary. He stated that there has been movement with the new Guam GM for United Airlines.
Director Kloppenburg stated that Charles Duncan is now in charge of Russia and there is some interest that United/Continental feel that could be developed. He stated that it is in the initial stages and it is something that the committee wants to pursue because of the pent up demand.
Director Kloppenburg stated that the committee has requested for a larger increase in China, which was predicated by the events in the last couple of weeks. He stated that one of them is the direct flight to Hawaii from China Eastern.
Director Kloppenburg stated that it came about because of a very aggressive marketing by Hawaii and China. He stated that they had spent $600,000 on a Hawaii charter ad, which had good results that ended up with six months regularly scheduled flights that would bring approximately 82,000 mainland Chinese tourists to Hawaii.
Director Kloppenburg stated that it is very significant because of a couple of things that Guam in its own way can lead the way for it, which is the development of the pilot program through the group leisure advance

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program and Hawaii used Guam as the basis for their pilot program. He stated that it was originally designed where travel agents could get a block of 50 people and could get advance interviews.

- Director Kloppenburg stated that there are a couple of stipulations, a couple of changes which one of them is that the block of fifties are too cumbersome for TA’s to handle so it will be reduced to blocks of twenty and additional they had to have the advanced bookings locked in 30 days in advance, which has been proven to be cumbersome as well.

- Director Kloppenburg stated that there have been efforts made with possible results, they would go to a two weeks advance booking deadline. He stated that with all of that said, they have begun to expedite without visa waiver or without parole authority the test to get travelers out to destination with Hawaii being successful.

- Director Kloppenburg stated that he feels that Guam could be successful as well. He stated that in order for it to happen, Guam has to market itself and be aggressive in the marketing position.

- Director Kloppenburg stated that Guam is in the charter business with a lot of charters coming. He stated that the Bureau is going to assist the airlines but assist more with the TA’s in filling the charter flights by doing some ad work.

- Director Kloppenburg stated that the TA’s for instance has 31 charters scheduled with a company called Bashi. He stated that Bashi is taking all the risk.

- Director Kloppenburg stated that the Bureau wants to help fill the seats. He stated that the airlines are not taking the risk because they have been paid for the plane to come to Guam already.

- Director Kloppenburg stated that the details and the efforts that P. Laguana has done with the embassy staff are helping develop the programs to Guam.

- Director Kloppenburg that he is working with the parole authority and visa waiver issues. He stated that the Bureau should not just sit by and wait for things to happen; there is a need to get aggressive and go after it.

- Director Kloppenburg reiterated that the program would work because Hawaii did it and Guam developed the pilot program.

- Director Kloppenburg stated that most of the monies would go into marketing to help assist in the charters in bringing in the awareness to the population of Shanghai and other areas.

- Director Calvo inquired mechanically how would it work with dealing with the agents that is putting the charters together.

- Director Kloppenburg replied that Bashi has taken the risk and guarantees the 31 charters flights to Guam.

- Director Calvo inquired if they have committed to it.

- Director Kloppenburg replied yes, they have. He stated that what the Bureau wants is to assist them to be successful.

- Director Calvo inquired if it is the same company that charters to Hawaii.

- Director Kloppenburg replied no, it is China Eastern.

- P. Laguana stated that GLT better known as the Group Leisure Travel program; the US Commercial Service is very strict in making sure that the travel agents follow the procedures to get the block visa appointments. She stated that she has been very vocal in asking for a lot of things from the US Commercial Service whether it is appointments or asking to assist in promotions, which they came to the Bureau for cooperative assistance.

- P. Laguana stated that she has been able to ask with her experience and quest of their knowledge of the Bureau’s hunger to get the China market. She stated that they realized that tourism is an export business.

- P. Laguana stated that the US Commercial Service is there is assist the Bureau. She stated that what has been done is request them to consider and be more flexible.

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P. Laguana stated that charters flights are being scheduled out of Beijing and Shenyang. She stated that they are primary cities.
P. Laguana stated that a lot of pent up demand is coming from the National Tourist Association whom are focusing on second and third tier cities.
P. Laguana stated that the marketing department wants more funding to do more work with the travel agents to drive them and motivate them. She stated that Chinese businesses like incentives and they react to them.
P. Laguana stated that the US Commercial Service is into finding different ways to help the Bureau. She stated that when Senator Barnes, GM Camacho and herself visited the US Embassy in China, they too said to tell them how they could help the Bureau succeed knowing that they have the procedures; to make recommendations to them on how to modify the procedures without discrediting the integrity on the intent of the procedures.
P. Laguana stated that they had requested for more flexibility on the turnaround time that the travel agents have to sell their tickets and book the seats. She stated that if Guam is successful in all the charters, Continental has a dream with the Bureau in making next year a six months regular charter.
P. Laguana stated that right now, she is focused on filling the seats of the upcoming summer-fall charters. She stated that there are bigger plans, which is dependent on how successful it is on working with Continental, the travel agents and the US Embassy.
GM Camacho stated that the US Commercial Service office was very appreciative of their visit and they were very receptive. She stated that she believes that they would be behind on what the Bureau is requesting.
P. Laguana stated that Hawaii last year had spent about $6 million in China. She stated that China Eastern Airlines services that are being inaugurated on August 9th would bring them 82,000 tourists.
P. Laguana stated that Hawaii is spending $600,000 on consumer advertising in the newspapers alone. She stated that $100,000 is coming from the Polynesian cultural center and the private sectors.
Director Miyashita stated that he supports the area in pursuit of Chinese tourists, where the potential is. He stated that it is time for the Bureau to be proactive as Director Kloppenburg mentioned.
Director Miyashita stated that because of the limited funds, the need to concentrate on certain markets not just Shanghai. He stated that the best thing to do is concentrate on a couple of cities.
Director Miyashita inquired in terms of Hong Kong, out of $667,000 from last year, how much was appropriated to Hong Kong. He inquired if the $200,000 for Hong Kong is adequate or is it too much.
Director Kloppenburg replied that the budget for Hong Kong last year was close to $167,000. He stated that success in an area is predicated on getting an airline to come to Guam and if the charters could be filled that is another step to getting the airlines to commit on regular scheduled charters.
Director Kloppenburg stated that once Guam gets regular scheduled charters, then to go to the next step. He stated that it is a carrier driven market.
Director Kloppenburg stated that the Bureau creates the demand; the success is on the ability to get the seats filled so the need to help the agents.
Director Cristobal inquired who selects the cities based on where the carrier is coming from.
Chairman Mesa replied that the Bureau works with the airlines. He stated that in this particular case on building the charters, what was done in the Chinese New Year where Continental brought in nine charters, it was focused on travel agents that support Continental and that is how to go.
Director Kloppenburg stated that the ultimate goal is 25 years from now, the board members that would be sitting at this table would have 14 flights a day from 14 different cities in China and that is how this present board wants to go.

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Director Arriola stated that now is the time to be aggressive.
Director Kloppenburg stated that Guam is the closest US destination. He stated that the Bureau shouldn’t continue to wait for parole authority or the visa waiver.
Director Kloppenburg stated the need to take advantage of the programs that the staff is working on with the US Embassy and create some demand through an expedited process, which happens to be the group leisure travel.
GM Camacho stated that the branding program would be continuing, the “We Are Guam” campaign.
Director Arriola stated the need to continue supporting the branding because for a while GVB was disconnected with the community. She stated that the branding campaign has closed that gap and she knows that with the village mayors now having nothing but good comments about GVB.
Director Arriola stated that it always comes with cooperative support. She stated that the answer on how tourism benefits our people, our residents; the answer is our branding.
GM Camacho reported that in a couple of weeks the Bureau would own the brand.
Chairman Mesa stated with the trademark application.
GM Camacho stated that social media is really big and the Bureau has invested in the program and the need to continue with it. She stated that at the July meeting, there would be a presentation to update everyone on what it entails.
Chairman Mesa inquired if it covers all markets.
GM Camacho replied yes.
Chairman Mesa stated that on the marketing side, the opportunity it that Taiwan is being supported by adding a little more to show the potential growth. He stated that Director Miyashita brought it up in terms of comparison on what we are getting in Hong Kong and Taiwan; there is renewed interest especially in the airlines with Continental scheduling charters out of Taiwan.
Chairman Mesa stated that the board is supporting the marketing team in reviewing Taiwan and to increase the budget because the opportunity does exist.
GM Camacho inquired if the board wants a number now or come back and substantiate the amount.
Chairman Mesa replied that what was suggested is to work with the airlines to increase frequency and the agents to come up with some marketing campaigns to drive the markets and fill the seats. He stated that the direction is to support the airlines and the agents that are able to make the sales similar to what is being done in China in trying to fill up the charter flights.
Director Kloppenburg inquired if social media support is inclusive of the Bureau’s efforts in house.
P. Laguana replied no, it is for global reach and will have major campaigns driven by the office that would blitz it out to all the social media and market sources. She stated that the office would monitor the voice level of the consumers that hears all the news and use that to make smarter marketing strategy in all the different markets.
P. Laguana requested for the board to give a figure for Taiwan because the budget needs to be submitted to the Legislature and there are a lot of government forms that need to be completed.
Director Kloppenburg stated that he agrees to submit as is and then go back for a supplemental budget after the marketing department provides the board with a plan.
Director Miyashita stated that is his intent.
Director Arriola stated that to approve the budget as is and if more is needed then to submit a supplemental request.
Chairman Mesa stated that with the latest development that is happening out of Taiwan it should be re-evaluated, which could be justified.

Vice-Chairman Baldyga inquired with regards to the Printing Promotion budget, does it include the Japan market.

N. Leon Guerrero replied that it includes certain printing materials but for Japan it doesn’t.

P. Laguana stated that there was a severe budget cut to the printing promotion, which was close to $500,000 in the past.

Vice-Chairman Baldyga inquired again if it includes Japan.

P. Laguana replied no.

Vice-Chairman Baldyga stated that half of Japan’s propaganda needs to be reprinted, which are outdated. He inquired if the printing is included in Japan’s budget.

Chairman Mesa stated that there is the new social media network and the 365 days monitor campaign that is going paperless.

P. Laguana stated that there is still a need for collateral materials.

Vice-Chairman Baldyga stated that in Japan there are materials in the TA offices and railroad stations. He stated that in the MICE publication, Palace Hotel is still listed.

Director Arriola stated that she is in support in adding more money into the Printing Promotion budget for Japan so that they don’t touch their marketing dollars.

Vice-Chairman Baldyga reiterated that a lot of the collaterals need to be reprinted and wants to make sure that there is money for it.

P. Laguana inquired if she could put it back to where it was.

Chairman Mesa stated to update the collaterals.

P. Laguana stated that the budget keeps getting cut.

Chairman Mesa stated that it is another supplement so the need to review the current status of the printed materials.

Director Kloppenburg suggested acting on it now because it has been cut and everything that is being done is five years old and it should be reprinted every five years.

Director Miyashita stated that he want to have a brief philosophical discussion about TAF funds. He stated that he would like to see a list of items or projects that the Senators are giving out from the TAF funds because there are a lot of projects that are waiting for funds.

Director Miyashita stated that he knows that the first thing is the bond payment. He stated that the board should be more bold and request for more money for there is no money to be given out for more projects aside from GVB’s efforts to market and manage the destination satisfaction of the tourist to continue to ensure that the tourists are happy and that they are repeat visitors.

Director Miyashita stated that he thinks that the Bureau is not asking for enough money. He stated to ask for more money because it could be justified.

Director Miyashita reiterated that he wants to see a list of how much of the TAF are being deviated to other projects. He stated the need to protect the funds as a visitors’ industry.

Director Kloppenburg stated that it is a battle that the Bureau is not going to win. He stated that the Bureau is not going to the Legislature asking them to cut their projects.

Director Kloppenburg stated that the Bureau should ask for more for what it needs. He stated that there is a list of projects that comes out of TAF.

Director Kloppenburg stated that the bond is first and GVB is second and then the rest of the other projects.
Director Arriola stated that Pa’a Taotao Tano, which she is affiliated with, has been told that no NTO’s would be getting funding. She stated that she agrees that the Bureau should ask for what it needs because the bottom line is the Legislature would decide if there is money or not.

Director Arriola stated that the budget for expenses is being discussed, she inquired if there even is revenue for GVB to work with. She stated that she is in favor for asking for what the Bureau needs.

Director Arriola stated that the money is going to talk but if there is not enough money, then the Bureau would not get anything. She stated that at least request what the Bureau wants and if it is not enough, then the Legislature could ask where GVB could cut.

Director Arriola recommended increasing Printing Promotion to $500,000 so that Japan is included.

Director Kloppenburg inquired if that was where it was.

P. Laguana replied that it is close to it.

Director Arriola stated that the collaterals are five years old and a lot of things have changed.

Director Calvo inquired if the materials are in different languages.

P. Laguana replied yes and there are collaterals that include MICE. She stated that Korea is also outdated.

P. Laguana stated that it is hard to keep up with the major stakeholders because they change the name of the hotels.

Vice-Chairman Baldyga stated that it is embarrassing. He stated that when he went into the GVB office in Japan, he was given some maps and guides and most of it was outdated.

Director Calvo inquired where are the collaterals printed.

P. Laguana replied that an RFP is issued for bid.

Director Calvo stated that the materials have also progressed because you get nice printed materials at a cheaper price. He stated that the translation is even easier now.

Director Calvo also agrees that the Printing Promotion should be increased back to $500,000.

Director Kloppenburg states that now that the board is asking then the need to be prepared to testify and justify the need to increase.

Director Cristobal stated that GVB was criticized in the past for printing off island. She stated the need to support the local businesses as much as possible.

Director Taimanglo reported that the Research Department budget is a rollover but wants to inform the board that the committee wants to get data from other places. He stated that they want to include Taiwan and Hong Kong.

Director Taimanglo stated that he inquired if the committee could stay within the rollover budget and still do exit surveys for Taiwan and Hong Kong. He was informed that the money could be moved around from present market research because it is repeated within countries and research from other marketing budgets.

Director Taimanglo stated that it was decreased in the other marketing budget and they added on the exit surveys for Mainland Hawaii, Taiwan and Hong Kong based on staffs’ recommendation on where to have exit surveys.

Director Taimanglo stated that countries that the Bureau can not collect data from, D. Philipps increased the reference library material to find places to get data that could be used to find out where to put the money next.

Director Taimanglo stated that Korea was cut from 12 months to quarterly but it was suggested that it be moved back to 12 months. He stated that it shouldn’t be a problem.

GM Camacho stated the need to have a research on China. She requested $50,000 from Printing Promotion into Research for China.

Chairman Mesa suggested increasing Research by $50,000 instead of taking it from Printing Promotion.

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Director Crisostomo reported that Attraction & Special Events would be rolling over its budget. She stated that the largest event is the Micronesian Island Fair and Guam Ko'ko' Road Race with a budget of $100,000, which is the biggest chunk of the budget.

Director Crisostomo stated that all others go to sports grants and sponsorships.

Director Kloppenburg stated that he read in today’s paper that the Guam Police wants to get paid for assisting in the Ko’ko’ Road Race.

Director Crisostomo stated that the public hearing was yesterday and would report back to the board.

Director Calvo inquired if GPD has been charging.

Director Cristobal replied that they charge everybody, every time their services is used.

Director Crisostomo stated that it is overtime that they are charging.

GM Camacho stated the need to have GPD for the security efforts. She stated that National Guard informed her that they are reviewing the Bureau's request to assist.

GM Camacho stated that she would be requesting the Governor to do a call out to the Government Agencies to assist to minimize expenditures from the government side.

Director Arriola reported that the CHaCo budget is a rollover because that was what they were told but it is fine with them as long as the major programs are being funded. She stated that the Japan Dance Academy is included, which is expanded to Osaka.

Director Arriola stated that the GIFT program is included. She stated as long as they could move money around within the committee.

GM Camacho stated that they would live within their means.

Chairman Mesa suggested taking it to the next level like into Korea for the dance academy.

Director Arriola stated that it is capacity because it just started in Japan; there is still a lot of work to be done in the core market before it starts in another.

GM Camacho stated that everything in Visitors Satisfaction is status quo except the walk in services. She stated the need to get more leis because of the new charters.

Director Miyashita inquired what does the $200,000 consist of.

GM Camacho replied EIT, walk in services that includes leis and greeters, tour guide certification program has a little increase because it has been $32,000 for the past few years to entice people to apply for it, airport ambassador program, supplies for the Tumon District lighting, and the biggest chunk is the visitors satisfaction projects that has to do with visitors safety and satisfaction through beach safety, graffiti, etc., joint programs with JGTA and GVB, and signs.

Director Kloppenburg stated that the Bureau maintains the flag signaling system.

Director Miyashita stated that his point is that the Visitor Satisfaction is very critical and important. He inquired if the $68,000 increase includes the safety.

GM Camacho stated that she squeezed Visitor Satisfaction out by $8,000, which Director Saad doesn't know. She stated that originally it was increased by $75,000 but she was trying to balance everything.

Director Cristobal inquired if the beach patrol is part of the budget.

GM Camacho replied that it is through the CAT program.

Vice-Chairman Baldyga suggested having one person on a Segway on Pleasure Island for customer service.

Director Arriola stated that it is a walking info booth.

Director Calvo inquired what would they do.

Vice-Chairman Baldyga replied that the guy on a Segway would greet the people and pass out maps and guide books.
Director Yoshino stated that it would help with the tourists.
Vice-Chairman Baldyga stated that when he was with JGTC members in Japan, they felt that Guam’s image is down trotting. He stated that the customer service on a Segway is one way of projecting the Hafa Adai Spirit with the We Are Guam logo.
Director Yoshino inquired who is installing the sirens.
Chairman Mesa stated that in regards to the marketing budget, to increase Taiwan by $100,000 in support of the increase of seat capacity.
Director Miyashita suggested increasing Visitors Satisfaction by $50,000.
GM Camacho reported that the TAF Special Projects is increased because of the beach cleaning, which is from 6 days to 7 days.
GM Camacho recapped on the increase which are Taiwan Market $365,000, Printing Promotion $500,000, Research $424,834 and Visitors Satisfaction $250,000 for a total budget request of $15,005,276.
Vice-Baldyga stated that the budget is over $15 million. He suggested bringing it down to below $15 million.
Vice-Baldyga suggested that Printing Promotion be $485,000 instead of $500,000.
GM Camacho reported that she would be having preliminary discussions with Senator Barnes regarding the budget.
Director Kloppenburg stated to give her heads up on the increases. He stated the need to get as much senators to understand the need for the increase.
GM Camacho stated that the challenge would be with the administration because they feel that the TAF would be a lot lower. She stated that they anticipate taking $3 million out of the general funds to subsidize GVB.
Director Arriola inquired if there was a GVB projected figure.
GM Camacho replied that the administration has the projected figure.
Director Kloppenburg inquired what is the Bureau’s projection.
Chairman Mesa stated that the projections were done for the bond refinancing. He stated that it is more than $20 million, which the legislature is going to tap.
GM Camacho stated that she and D. Phillips had run numbers for this year’s projection and the lowest would be at mid $19 million and the highest at $22 million.
Director Calvo inquired if it matched up with what was put together with GEDA for the underwriter.
GM Camacho replied that it is the same.
Director Calvo requested for GM Camacho to email a copy of the projection to the board members.
Chairman Mesa stated that the projections that he has seen are nothing less than $20 million.

Motion made by Director Kloppenburg, seconded by Vice-Chairman Baldyga, to approve the submission of the Guam Visitors Bureau FY 2012 Budget Request to the 31st Guam Legislature. The Bureau is requesting $14,990,276.00 for fiscal year 2012.
Motion approved.

Issue: Board approval required.

C. Executive Committee:
Nothing to report.
D. **Japan Marketing:**
   - Nothing to report.

E. **Korea Marketing:**
   - Motion made by Director Miyashita, seconded by Director Arriola, to approve travel for GVB KMC Chairman, Marketing Manager, Cultural Heritage Officer Sonja Lujan Sellers and the Guam Cultural Entertainers to attend the Busan/Daeug Roadshow in Pusan and Daeug, Korea from June 28-July 1, 2011 (dates subject to confirmation). (Estimated cost: $15,863.75 from the FY2010 Korea Guam Acct# SMD023).
   - Motion approved.

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**Background:** The Busan/Daeug roadshow is a product update seminar that GVB Korea organizes for the TA’s, airlines, and tourism partners in Korea along with the KGTC and KGMC Members to increase awareness of Guam, share new information about the island, and to showcase the Guam cultural presentation as a way to support the additional charters coming from Busan and Daeug. It is the only roadshow budget for the Korea market and the participation of management and Guam’s cultural presentation is essential to increase our working relationships with the TA’s and their efforts in selling our destination. The bureau has organized this roadshow for the past 5 years and last year the bureau only focused on Busan, but because of the charters coming from Daeug, the need for Guam’s presence in the marketplace is essential.

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

F. **Existing Markets:**
   - Nothing to report.

G. **New Market Development:**
   - Motion made by Director Kloppenburg, seconded by Director Cristobal, to authorize the General Manager to enter into negotiations with the highest-ranking qualified Offeror that responded to GVB RFP 2011-009, which sought proposals for a new Marketing Communications Specialist.
   - Motion approved.

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Background: Current Independent contractor (Amanda Lawson) served notice of termination to end her contract with GVB effective July 31, 2011 due to relocation of residence. An RFP was issued June 3, 2011 to seek a new independent contractor.

Deadline to receive proposals in response to this RFP was June 20, 2011 at 5:00 pm. This motion will enable the GM to negotiate with the highest-ranking qualified Offeror as determined by the evaluation committee.

Issue: Board approval required.

H. Destination Management:
➤ Nothing to report.

I. Membership Development:
➤ Director Kloppenburg announced that the quarterly membership meeting is scheduled for tomorrow at the Westin, 11:30 am.

J. Research:
➤ Nothing to report.

K. Cultural Heritage & Community Outreach:
➤ Nothing to report.

L. Sports & Events:
➤ Nothing to report.

❖ EXECUTIVE SESSION
➤ No executive session.

❖ OLD BUSINESS:
➤ No old business.

❖ NEW BUSINESS:
➤ No new business.

❖ ANNOUNCEMENTS
➤ Director Cristobal announced that she met with Senator Pangelinan because he requested an opinion from the AG regarding the list of priority projects. She stated that Senator Pangelinan did receive a respond that she requested, which was a week ago but she hasn’t received it yet.
➤ Director Cristobal stated that basically the AG agreed with Senator Pangelinan that the Bureau has to follow the law as it is written in the order of priority.
➤ Director Cristobal stated that GM Camacho communicated with Frank Arriola, Governor’s chief of staff in that regards. She stated that she met with Karl Pangelinan of GEDA on the status of the projects.
Director Cristobal stated that GEDA would be issuing an RFP next week for the project management officer. She stated that the officer would be overseeing all the projects in Public Law 30-28, which included the museum.

Director Cristobal stated that the museum concept was completed during the Camacho administration. She stated that Mr. Cameron was interviewed on KUAM and wants to break ground within 6 – 8 months and the only way that would happen is to move forward.

Director Cristobal state that Frank Arriola would be back on island on July 1st. She stated that a bond task force would be formed at that time.

Chairman Mesa stated that all the other committee reports would be taken up at the next board meeting.

Director Arriola invited everyone to this weekend’s Dinana Minagof at UOG Fieldhouse.

Vice-Chairman Baldyga announced that July 1st weekend is the soft opening for the Chamorro Park.

**ADJOURNMENT:**

- Motion made by Director Miyashita, seconded by Vice-Chairman Baldyga, to adjourn the meeting.
  
  Meeting adjourned at 5:40 p.m.

Attested:

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

Board Minutes prepared by Dina Rose-Hernandez, Executive Secretary

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