



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

Board of Directors Present:

Chairman Monte Mesa	Vice-Chairman Mark Baldyga
Champ Calvo	Jennifer Crisostomo
Hope Cristobal	Judy Flores
Hayato Yoshino	Nathan Taimanglo

Board of Directors Present Telephonically:

Board of Directors Absent:

Carol Tayama	Rizk Saad
Bruce Kloppenburg	Theresa Arriola
Oscar Miyashita	

GVB Management and Staff Present:

Nathan Denight	Pilar Laguana	Debi Phillips
Nadine Leon Guerrero	Gina Kono	June Sugawara
Felix Reyes	Regina Nedlic	Sonja Lujan-Sellers
Laurette Perez	Charlene Hitosis	Amanda Lawson
Dee Hernandez		

Guests: David Tang – Assistant President of Ivy Alliance; Daisy Lv – AQ Comm

❖ **Proceedings:**

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

Review of the previous Regular Board minutes dated June 23, 2011.

- o **Motion made by Director Cristobal, seconded by Director Crisostomo to approve the minutes of June 23, 2011.**

Motion approved (subject to correction).

❖ **Chairman's Report:**

- Chairman Mesa reported that his written testimony regarding the China Visa Waiver Program has been sent to J. Camacho who is in Washington, D.C. He stated that it would at least highlight the discussion that would be raised during the P.L. 110-229 hearing on Thursday.
- Chairman Mesa stated that the senior ranking member of the committee, Congressman Kilili from the CNMI, requested for that particular hearing to be called by Chairman Fleming. He stated that GVB was allowed to submit a written testimony.
- Chairman Mesa stated that the committee allowed oral testimony from Governor Calvo, Governor Fitial and Marian Pierce who is representing the businesses in the CNMI regarding some of the issues from the worker visa waiver program.
- Chairman Mesa stated that it was an opportunity to raise the level of concern in applying the visa waiver for both CNMI and Guam especially under the Parole Authority that was granted by the Secretary.
- Chairman Mesa stated that the last concern that they may have legitimately is the border control issue.
- Chairman Mesa stated that included in the board packet is the letter of response from the Attorney General to Senator Ben Pangelinan regarding the board's resolution on how the proceeds of the bond would be expended.
- Chairman Mesa stated that the resolution is a recommendation to the governor. He stated that the governor has the prerogative to execute the statute of the law.



- Chairman Mesa stated that Senator Pangelinan wanted the board to reconsider the resolution.
- Director Cristobal stated that the resolution is a recommendation. She stated that Senator Pangelinan was challenging the board's recommendation.
- Director Cristobal stated that anyone could challenge a recommendation.
- Chairman Mesa inquired if there are any suggestions from the board if the letter should be left as it stands or consider the AG's suggestion. He stated that the board is not advocating going against the law.
- Chairman Mesa stated that the way the law was written, it has the flexibility.
- Director Cristobal inquired if the governor received a copy of the letter from the AG.
- Chairman Mesa replied no.
- Director Cristobal suggested that Chairman Mesa write a letter to the Governor informing him of the letter received from the AG. She stated that it is better than rewriting another resolution.
- Director Calvo stated that the board does not have to do anything. He stated that the AG's opinion is just Pat Mason's opinion, which does not affect anything the board does.
- Director Calvo stated that the resolution is only a recommendation. He stated that the Governor's office could do what they want.
- Chairman Mesa stated that he would respond to the AG accordingly.
- Director Cristobal stated that Senator Pangelinan's concern is the acquisition of Faifai/Gogna and his desire to move it up the priority list. She stated that when the senator did the comparison from the public law and the resolution, it is number 11 on the public law and GVB's resolution had it as the last item.
- Director Cristobal reiterated that the AG and Senator Pangelinan's letter be transmitted to the governor.
- Director Calvo inquired if the board should respond to the senator's letter or ignore it.
- Director Cristobal replied that the board should respond to Senator Pangelinan's letter informing him that a copy of the AG's letter would be transmitted to the governor.
- Chairman Mesa announced that the China Outbound Tourism Quality Service Certification Program is taking place next week. He requested P. Laguana to introduce one of the visitor's from the Ivy Alliance group that is implementing the program in China and all the overseas market.
- P. Laguana introduce David Tang, Assistant President of Ivy Alliance. She stated that Ivy Alliance is a company that is working with the China Association of Travel Service is who mandated by the China National Tourism Association to implement a program to improve the quality of travelers going abroad as well as domestic.
- P. Laguana stated that the program is being referred to as Qualifying Service Certification Program. She stated that the flyer is included in the board packet.
- P. Laguana extended an invitation to all board members to attend the workshop. She stated that there are three identical workshops scheduled next week in the GVB main conference room.
- David Tang stated that it is his second time to Guam and that he is very happy to be here. He stated he would share what he knows at the workshop on the outbound market.
- P. Laguana stated that David Tang was one of the speakers at the China Outbound Symposium last year, which was very well received by the industry. She stated that Mr. Tang would share more information and introduce one of the China Government's travel policies to outbound travelers.
- P. Laguana thanked David Tang for his time and expertise. She stated that the program is strictly a voluntary membership. She stated that you have to be a member to participate in the program.
- P. Laguana introduced Daisy Lv from AQ Communications who is the representative of GVB in Hong Kong and China. She stated that Daisy is on island to assist David Tang with the workshop.
- Chairman Mesa stated that there is a potential in the bike trail/bike riding attraction to Guam, which is good for both visitors and local participants in promoting great health. He stated that a case study was done in North Carolina.
- Chairman Mesa suggested that the Sports Committee look into the case study and see how Two Lovers Point could have a bike trail.
- Chairman Mesa stated that at the last board meeting the budget was approved and one of the things that he wanted to make sure to go after and develop is the cruise. He stated after reviewing the plans during the planning workshop of the strategic plans, the board did not take any direction on how to develop it.

- Chairman Mesa stated that he wanted the board to at least give direction to management to start cultivating the cruise industry in regards to bringing more port calls to Guam. He stated that there are two types of cruise industry, which is port calls and homeport.
 - Chairman Mesa stated he wants to encourage and elevate the development of port calls to Guam and have the opportunity to be sought after and to start building the cruise program.
 - Chairman Mesa inquired if there are any suggestions or objections to management moving forward with including the cruise industry as part of the marketing development. He stated that it is included in the five year strategic plan.
 - Director Calvo inquired if Chairman Mesa is talking about in terms of direction or in terms of the budget.
 - Chairman Mesa replied both directions and tying some of the budget in making efforts to go after and build either the relationship with the cruise industry or even get information to continue the efforts.
 - Director Calvo inquired if the budget would be amended.
 - Chairman Mesa replied no, there are sections in the sales and marketing development line items for opportunities to be sought after. He stated those are either adhoc or available for some flexibility to take advantage of new opportunities.
 - Chairman Mesa suggested to adopt having management move forward with it and start allocating the budget.
 - Chairman Mesa stated that it is a separate thing from what the Micronesia Cruise Association is doing, which is for the region.
 - Director Calvo stated that it is a good idea. He stated that he thought that the board is going to get something back when the budget was discussed and adjusted.
 - Chairman Mesa stated that the budget was approved at the last board meeting. He stated that the budget was revised based on the discussions and approved for submittal to the legislature.
 - Chairman Mesa reiterated that he wanted the board to give direction to management to spend some time and potentially spend some market effort on the cruise industry.
 - Director Calvo inquired if the chairman is looking for a resolution.
 - Chairman Mesa replied yes, that management has direction to proceed in developing the cruise ship port calls to Guam.
- **Motion made by Director Calvo, seconded by Director Cristobal, for management to pursue and develop the cruise ship port calls to Guam.**
Motion approved.

❖ Acting General Manager's Report

- Copies of Acting General Manager Jon Nathan Denight's report were distributed to all Board members present during the meeting.
- Acting GM Denight thanked the board members for giving him the opportunity to serve as the Deputy General Manager.
- Chairman Mesa stated that at the last discussion on the budget in trying to make up the difference from Japan, there are still a lot of opportunities from Korea and Taiwan with the outbound market. He stated that with the expanded marketing effort and some of the airlines that are looking at direct flights to additional airports in Korea and Taiwan, there is a lot of capacity untapped.
- Chairman Mesa inquired in regards to the charters flights by Dynamic Aviation, is it coming out of the secondary airport or Incheon Airport.
- P. Laguana replied Incheon. She stated that it is a new airline based out of the Virginia.
- P. Laguana stated that their operational team is on island working with the airport authority.

❖ Report of the Treasurer:

- Director Cristobal apologized that there is no report today.
- Chairman Mesa stated that it would be reported at the next board meeting.

❖ **Report of the Board Committees:**

A. **The Strategic Advisory Council:**

- Nothing to report.

B. **Administration/Government Relations:**

- Director Cristobal reported that last Friday GM Camacho attended a cabinet meeting regarding the bond projects. She stated that the only item that they are moving forward with is the Guam Museum.
- Director Cristobal stated that they are waiting for GEDA to finalize the process of the RFP. She stated that the deadline for proposals is July 22nd for the Project Management Officer.
- Director Cristobal stated that GEDA is in charge of the PMO. She stated that the nature of the projects is different.
- Director Calvo stated that GEDA is creating a division for the projects. He stated that there are RFPs issued for a consultant(s) to oversee the capitol improvement projects to make sure that it is coordinated and in sync.
- Director Calvo stated that they are trying to avoid the inefficiencies of having multiple projects by multiple agencies not knowing what the other is doing.
- Director Cristobal stated that GM Camacho, Karl Pangelinan and DCA are part of the committee to review the proposals.
- Director Cristobal stated that DCA's target date for the Guam Museum groundbreaking is 6 months from now and 36 months for completion.
- Director Calvo stated that there are only building plans.
- Director Cristobal stated that there is some kind of conceptual but there is no design. She stated that it would take at least six to eight months for the design work.
- Director Calvo inquired if there is a site already set.
- Director Cristobal replied Fort Apugan.
- Director Yoshino inquired who is monitoring the selected management company.
- Director Cristobal replied that GEDA would be monitoring it.
- Director Yoshino stated that someone in the government should monitor the company.
- Director Cristobal stated that what Director Yoshino suggested is that someone in GEDA oversees the projects but no one in GEDA is an engineer. She stated that the reason GEDA is taking lead is because of GVB's concerns in the past that the projects were not being done correctly.
- Director Cristobal stated that Public Works does not have the capacity.
- Director Cristobal stated that there is a government process for the project. She stated that it goes through a review.
- Director Calvo inquired if the project management office is a division of GEDA.
- Director Cristobal replied yes.
- Director Calvo stated that the consultant is going to work for GEDA, who has oversight to make sure that the projects are carried out as efficiently and cost effectively as possible.
- Director Cristobal stated that GEDA should have a good solid contract with the PMO, which will give an assurance that the projects would be done right.
- Chairman Mesa stated that it would be the same process that the Bureau would go through if given the project to oversee.
- Chairman Mesa stated that is the reason GM Camacho and Director Cristobal is part of the process committee is to make sure that the intent of the bond is executed.
- Director Calvo suggested getting a copy of the RFP and look at the scope for the PMO.
- Director Cristobal stated that she has a copy of the RFP and would email it to the board members.
- Director Cristobal stated that it would behoove the board to get interim reports from GEDA on the projects from the PMO.
- Chairman Mesa stated that it is a good suggestion. He stated that the PMO should give a periodic update to the board.

C. **Executive Committee:**

- Vice-Chairman Baldyga stated that it would be good to discuss it now or under new business the word “motion to ratify approval.” He stated that the GVB Articles and Bylaws gave the authority to the executive committee on whatever the prior board approved.
 - Vice-Chairman stated that he doesn’t know what the prior board did so for the sake of the new board or personal liability, he suggested a motion to affirm that the executive committee has all the authority and that the board has to act on it.
 - Chairman Mesa stated that legal counsel did prepare a draft as recommended by the board on the changes.
 - Vice-Chairman Baldyga stated that it is not a legal issue but he wants the board to affirm that the executive committee should have all the authority to act on behalf of the board.
 - Vice-Chairman Baldyga inquired if the chairman wants to deal with it later.
 - Chairman Mesa replied yes.
 - Vice-Chairman Baldyga stated that on the executive committee actions, he tried to tell management to try to the best extent possible to stop requesting for interim approvals. He suggested that management think as further ahead as possible, which he knows is not always possible.
- **Motion made by Vice-Chairman Baldyga, seconded by Director Cristobal, to ratify approval of travel for GVB Chairman Monte Mesa and General Manager Joann Camacho to attend meetings with Governor Benigno Fitial and Congressman Gregorio Kilili Sablan to discuss the China Visa Waiver Program and to discuss tourism opportunities with Mr. Perry Tenorio and Ms. Marian Aldan-Pierce from the Marianas Visitors Authority on July 5, 2011 in Saipan. (Estimated cost up to \$580.00, Acct. No. CITTC 072/73). Motion approved.**

Discussion:

- Chairman Mesa stated that as a result of the meeting, it is moving forward in Washington, D.C.
- Director Calvo inquired if the chairman met with Governor Fitial and Congressman Sablan in the same room.
- Chairman Mesa replied no, separately.
- Chairman Mesa stated that he did meet with the governor’s chief of staff. He stated that the governor left to Japan for medical reason.
- Chairman Mesa stated that Congressman Sablan did pledge his support to bring the issue up and for the Bureau to give a written testimony. He stated that is one of the reasons GM Camacho is in Washington, D.C. is to make sure that Congressman Sablan follows through with his commitment.
- Director Cristobal commended Chairman Mesa on his foresight on the issue because if he didn’t go to Saipan, the Bureau might not have been given the opportunity to submit a testimony.
- Director Cristobal stated that Congressman Sablan has a lot of power as seen in the newspaper.
- Director Calvo inquired if the Congressman excluded Speaker Won Pat.
- Director Cristobal stated that Speaker Won Pat was invited to submit a written testimony only.

Background: Both Guam and CNMI are continuing joint efforts to include China and Russia in the Guam/CNMI Visa Waiver Program Final Rule. Both need to work with the federal government to understand that these two markets are important to both destinations to sustain their tourism industry.

It is time sensitive to meet with Congressman Gregorio Kilili Sablan before he departs to Washington, D.C. The subcommittee on Fisheries, Wildlife, Oceans and Insular Affairs has scheduled an oversight hearing on the implementation of P.L. 110-229, the Consolidated Natural Resources Act on Thursday, July 14, 2011 in Washington, D.C. Congressman Sablan is the highest-ranking minority member of the subcommittee.

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

- o Motion made by Vice-Chairman Baldyga, seconded by Director Cristobal, to ratify approval of travel for the Marketing Officer to attend the 3-city Continental-United Airlines Guam & Micronesia Product Update Seminars & Roadshow from July 24 – August 1, 2011, Australia. (Estimated cost: \$4,480.76 from the FY2011 North America Acct# TTC043.

Motion approved.

Airfare Expense		\$1,313.76
Per Diem:		
- Cairns	\$342 x 2 days x 1 pax	\$ 684.00
- Melbourne	\$460 x 1 day x 1 pax	\$ 460.00
- Sydney	\$394 x 2 day x 1 pax	\$ 788.00
Visa – Australian		\$ 25.00
Misc Expense (taxi, airport fees, supplies, registration fees, taxes, etc)		<u>\$1,210.00</u>
TOTAL EXPENSE:		<u>\$4,480.76</u>

Background:

Continental and United Airlines is coordinating a Micronesia Product Update in Cairns, Melbourne and Sydney, Australia to provide updated information about the destinations and to encourage regional travel with the Continental/United Airpass to Australia’s key travel agents. GVB has been invited to join representatives from Yap, Chuuk, Kosrae, and the airlines during this their first merger event in the region to educate and encourage travel from Australia to Guam and the region and to promote upcoming Guam activities/programs such as the Guam Micronesia Island Fair and the Ko’ko’ Road Race. GVB’s angle is to reach out to and invite bloggers or Social Media services and adventure travelers from Australia.

Issues: Time sensitive and board approval required for travel.

- o Motion made by Vice-Chairman Baldyga, seconded by Director Cristobal, to ratify approval of travel for 3 pax to participate in the 67th Guam Liberation Events in Washington DC from July 12-19, 2011, (Cost approximately \$12,000.00 from Account number CPO-006).

Motion approved.

Discussion:

- Director Cristobal inquired if GM Camacho would have made it to Washington, D.C. without this approval.
- Chairman Mesa replied that if the motion was not approved then the GM’s trip would not have occurred.
- Director Cristobal stated that the most compelling purpose for the GM’s trip would be the testimony.
- Chairman Mesa stated that is part of the duel function. He stated that the reason the motion was presented this way was because it was already budgeted.
- Chairman Mesa stated that there was supposed to be another allocated traveler but it didn’t fall through. He stated that the GM had to be sent so it was fitted into the budget.
- Director Flores stated that the CHaCO committee approved only two pax to for the Washington trip, specifically the CHaCo chairperson Therese Arriola and Miss Guam Liberation. She stated that apparently the GM was added.
- Chairman Mesa stated that the total amount allocated was \$12,000 so everything was fitted within the approved recommended budget.
- Director Cristobal stated that her opinion is that if more money was spent before then she would have preferred to see a dance group attend.
- Vice-Chairman Baldyga stated that ExCo is responding to motions that need to be approved within two days so there is no opportunity to have a dialogue.
- Chairman Mesa stated that for clarification, there is a dance group that involves the youths to participate. He stated that they are in the mainland.

- Chairman Mesa stated that they utilize the mainland group to attend the festivities, which was extended by the congresswoman's office. He stated that they have already built that system.
- Director Calvo inquired if there are a few Chamorro dance groups in the mainland.
- Chairman Mesa replied that there is one in San Diego and Long Beach.
- Chairman Mesa stated that a group out of California was invited to Washington, D.C.
- Director Calvo inquired on the committee level what is the real benefit that the committee sees on going to D.C. to attend the festivities. He stated that the market for GVB is the other direction.
- Director Calvo stated that Guam already has representatives in D.C. He stated that it might be relevant for the China Visa Waiver but why is GVB attending the festivities.
- Director Flores stated that on the committee level, they like to assist the congresswoman because she does promote Guam very well in D.C.
- S. Sellers stated that it is an annual event sponsored by Congresswoman Bordallo. She stated that the budget is a little higher than the past.
- S. Sellers stated that the deal in the past is that the congresswoman's office secures the tickets for the three passengers. She stated that this is the second year that her office failed to provide the airfare.
- S. Sellers stated that Director Arriola and GM Camacho would be meeting with the congresswoman and explaining to her that failure for her office to meet their part of the deal may result of the Bureau not attending next year's festivities.
- Vice-Chairman Baldyga stated that he met with the new business development personnel from UA. He inquired if there is anyone designated from the Bureau to start getting engaged to get an annual allocation of seats.
- Chairman Mesa replied that the GM has made contacts with UA and to include Delta as well. He stated that they are provided certain fares to certain things.
- Chairman Mesa stated that for this particular trip GM Camacho tried to get additional tickets.
- Director Calvo inquired if the budget was higher before.
- S. Sellers replied no.
- Vice-Chairman Baldyga stated that Director Kloppenburg informed him that it was \$20,000.
- S. Sellers stated perhaps for another trip to D.C. but not for the Liberation.
- Director Calvo stated that Guam should support the festivities in mainland but as GVB to a certain extent, the attention should clearly be about bringing the markets to Guam.
- Chairman Mesa stated that when he met Congressman Sablan, it included Saipan in promoting the region, which is the largest event in Washington, D.C. for a destination to promote itself. He stated that it is the time to get all the congressmen and representatives to attend and see the culture.
- Chairman Mesa stated that Congresswoman Bordallo extended the hospitality.
- Chairman Mesa stated that it was timing with the public hearing for the visa waiver program. He stated that after the hearing the members are invited to the festivities.
- Chairman Mesa stated that it is a Guam and CNMI sponsored event although CNMI does not have the money, they appreciate that Guam includes them. He stated that it is one of the attractions in supporting it from a GVB perspective.
- Chairman Mesa stated that it covers what is done in CHaCo in terms of supporting the non-profit organizations that supports cultural enhancement through funding like the American National Association (ANA). He stated that the Indian association supports all the cultural activities to be promulgated.
- Chairman Mesa stated that the non-profit organizations that is for the language, performing arts or Chamorro studies, a lot of that is funded by federal programs to perpetuate the culture. He stated that the festivities is one way that the congresswoman stated that could invite the chairs from the different committees to know about Guam.
- Director Calvo stated that Guam then gets a benefit from the festivities.
- Chairman Mesa stated that Guam goes after grants and certain legislation to be promulgated.
- Director Cristobal stated that she is not questioning the program but what she is questioning is why participate all the way from Guam being that there are dance groups in the west coast. She stated that anyone could lay a wreath at the tombstone of the Unknown Soldier, which is not significant.

- Director Cristobal stated that it seems that Guam does it regularly every time someone goes to Washington, D.C. they lay a wreath. She stated that the Bureau should contribute money to the congresswoman for the Guam Night Event.
- S. Sellers stated that if the congresswoman's office provided the airfare then the expense of the Bureau would have been from \$5,000 to \$6,000 average.
- S. Sellers stated that in addition to the festivities, Director Arriola and GM Camacho would be attended a Hafa Adai Pledge signing ceremony with the Guam Society.
- Director Flores stated that on the committee level the maximum amount is discussed.
- Director Calvo stated that there is a cost benefit and the timing of the China/Russia Visa Waiver; it does make sense to have a party with Congressman Sablan. He stated that it makes sense for the regional approach because Guam is trying to ride Saipan's coattail with respect to the parole authority.
- Director Calvo stated that the trip might make sense now but to look at the cost benefit of participating. He stated that if the airfare was removed it does make sense to have an expense for the Guam Night Event because it helps Congresswoman Bordallo promote Guam.
- Director Flores stated that word does go around the hill that Guam throws a good party.

Background. The Guam Visitors Bureau remains committed to supporting Congresswoman Madeleine Bordallo at both the Arlington National Cemetery Wreath Laying Ceremony at the Tomb of the Unknown Soldier and the "Guam Night" reception at the Capitol Hill. Miss Guam will also present Awards for the annual Chamorro fiesta picnic hosted by the Guam Society of America.

Performa Budget:

3/pax Delegation: CHaCO Chair Theresa Arriola
 GM Joann G. Camacho
 Miss Guam Liberation 2010 - Ms Rayana Lujan Rojas

Itinerary: Tue 12 July CO961 Guam-Jpn-Tx-DCA 9:45am/6:53pm
 Mon 18 July CO1785 DCA-Tx-Guam 6:00am/6:00pm Tue 19

Airfare	
Roundtrip Economy Continental \$2215/pax	\$6,645.00
Per Diem	\$5,108.45
BOD Arriola: \$285.00 x 6days + \$88.75 1-day MIE = 1798.75	
Joann Camacho: \$296.40 x 6days + \$92.30 1-day MIE = 1870.70	
Ms Guam: \$228 x 6days + \$71 1-day MIE = 1439.00	
Misc.	\$ 246.55
<u>Estimated Total:</u>	<u>\$12,000.00</u>

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

- o **Motion made by Vice-Chairman Baldyga, seconded by Director Calvo, to ratify approval of travel for Senator Tina Muña Barnes to Washington, D.C. from July 12 – 19, 2011, to join Governor Eddie Calvo in meetings with key Washington officials to discuss the Guam Russia-China Visa Waiver Program. (Cost: \$3,000.00 from the FY2011 North America Sales Market Development Acct# SMD023). Motion approved.**

Background:

As Legislative Secretary, Majority Whip, and the committee Chairperson on Tourism, Senator Barnes has proved to be a stalwart and ardent supporter of GVB's mission and quest to protect its TAF funding. Her assistance with moving the Guam China-Russia Visa Waiver Program forward is greatly needed at this very critical juncture as GVB pursues capture of Chinese and Russian outbound travelers. Senator Barnes will join Governor Calvo for meetings with Secretary of Homeland Security Janet Napolitano and/or her staff, as well as with other key Washington officials, to discuss the expeditious implementation of the Guam only China-Russia Visa Waiver Program and meet with other Washington officials to discuss how Guam can benefit from the Travel Promotion Act.

Issues: Time sensitive and board approval required for travel.

D. Japan Marketing:

- o **Motion made by Vice-Chairman Baldyga, seconded by Director Calvo, to approve travel for the Lt. Governor to attend meetings in Japan from July 20 - 27, 2011. (Estimated cost of travel \$4,868.80, account JA-TTC011). Motion approved.**

Discussion:

- Vice-Chairman Baldyga stated that if you read the background for the trip it is really for business development, which is a GEDA function rather than a Japan Market function. He recommended that the Lt. Governor meet with the key planners for the largest MICE convention.
- Vice-Chairman Baldyga stated that it would be nice for the Lt. Governor to meet with whoever is the largest Japanese company in charge of conferences and business travel to develop that market.
- Vice-Chairman Baldyga reiterated to suggest the Lt. Governor to act on behalf of GVB and the Japan Market Development particularly for conferences and conventions. He stated that the Lt. Governor should schedule some of his time in that regard so that it becomes cost effective.
- Director Calvo stated that he agrees with Vice-Chairman Baldyga. He stated that one of the focuses to look at is business tourism because he has seen the trade missions and business people coming to Guam to establish a business or ties.
- Director Calvo stated that the Bureau should give a list of people that the Lt. Governor should meet. He stated that it is something that is purposeful and be pursued rather than having it as a business item.
- Vice-Chairman Baldyga suggested that Director Yoshino give a list that the Lt. Governor could meet with for MICE business.
- Director Cristobal stated that in the past she had participated where GEDA would have a point person in Taiwan or Hong Kong not only for the businesses there to inquire about Guam but also for the people from Guam who are seeking business associates. She stated that there used to be a business office liaison.
- Chairman Mesa suggested contacting Yuji in Japan to set up meetings for the Lt. Governor.
- Acting GM Denight stated that one of the reasons the Lt. Governor is going to Japan is to help with the MICE market.
- Vice-Chairman Baldyga stated that it would be nice for Yuji to be with the Lt. Governor for continuity.
- Director Flores stated that she agrees with Vice-Chairman Baldyga but it raises a red flag when it comes from another office to use the Bureau's money. She stated that she wants to stick to a policy.
- Director Flores stated the need to discuss it way ahead of time. She stated that she knows that things come up but it is a red flag to pay for somebody else's trip, which is not in the planning.
- Director Calvo stated that he doesn't disagree with it. He stated the need to reach out to GEDA and inquire what is their plan to increase visitors whether it is business people or contractors and what the Bureau could do to assist because it is a different market than what it traditionally goes after.
- Director Calvo stated that one of the groups that the Lt. Governor is meeting with is the Japanese Contractors Association; the Japanese contractors that do work overseas to try and get them interested in Guam. He stated that there should be packets that go to them informing them of Guam and what it has.

- P. Laguana stated that there are plans to do trade missions in Taiwan, Korea, Hong Kong and China. She stated that she met with GEDA, the governor's office and the airport authority.
- P. Laguana stated that she and GM Camacho requested the governor's office to program the activities where it is conducive with GVB's schedule that will be cost effective. She stated that the trade mission for Taiwan, the largest travel show is scheduled in November and the recommendation is that the economic trade missions take place back to back with the travel shows so that the governor could participate in the ceremony of the trade show.
- Director Calvo suggested coordinating the schedule with Paul Hong from the consul's office. He stated that the trade mission is scheduled for November.
- Director Calvo stated that the Japan Trade Mission is scheduled in November.
- N. Leon Guerrero stated that it is scheduled to coincide with the JGTC meetings.
- P. Laguana stated that it is the efforts that are being done with the economic trade missions.

Background:

The purpose of the Lieutenant Governor's trip to Japan is to meet with various companies and investors to discuss business opportunities and promote local investment in an effort to increase Business related travel to Guam. In addition, the Lieutenant Governor will be meeting with Japanese firms who have expressed interest in participating and supporting Guam's Trade Missions to Japan. Developing a more diverse industry relationship with Japan will create opportunities to capture more business related travel and further penetrate their outbound tourism market.

In addition, the Administration is looking to secure investment from Technology Firms that will bring new money into the economy and enhance the local capacity to provide world-class business support services. The added capacity to local Business Support Services will help make Guam a more attractive investment location and enhance the quality of services that support our tourism industry.

The Office of the Governor is requesting support from GVB on this effort to benefit our local community and tourism industry.

Estimated Cost:

Airfare:	\$1,000.00
<u>Per diem: \$496 + 30% = \$644.80 x 6 days</u>	<u>\$3,868.80</u>
TOTAL	\$4,868.80

Issue: Board approval needed for all travel.

- Vice-Chairman Baldyga reported that ADK is working on their 2012 marketing plan. He stated that he would have a report for the board to review soon.
- Vice-Chairman Baldyga reported that Hafa Adai Study Tour is done and that it went very well.
- Vice-Chairman Baldyga stated that the recovery is going a little slower than expected. He stated that summer businesses are supposed to be good towards a few weeks from now towards the end of August.

E. Korea Marketing:

- Nothing to report.

F. Existing Markets:

- Motion made by Director Yoshino, seconded by Director Cristobal, to approve travel for the Marketing Manager and Marketing staff to attend the PATA Micronesia Chapter 2nd Tri-Annual Meeting in Majuro, Marshall Islands, from August 26-29, 2011. (Estimated cost: \$3,934.00 from FY2011 Pacific Budget; \$2,500.00 from FY2011 Pacific PATA Chapter Mtg. Acct#PA-SMD024 and \$1,434.00 from the Sales Market Development Acct#PA-SMD023).
Motion approved.

Estimated Airfare Expense (inclusive Fees for add'l baggage and taxes):	\$1,051 x 2 pax	\$2,102.00
Per Diem:	\$204 x 4 days x 2 pax	\$1,632.00
Add'l transportation/airfare expenses, etc)		\$ 200.00
TOTAL EXPENSE:		\$3,934.00

Background:

The GVB Marketing Manager and Marketing staff will be attending the 2nd Tri-Annual PATA Micronesia Chapter Meeting. The bureau is an active member of the Micronesia chapter and serves in an advisory capacity in the planning, coordinating, and executing of various programs/activities involving the chapter and the Micronesia region. At this meeting, the chapter will focus on issues relating to the Micronesia Branding Initiatives, Micronesian Chief Executives Summit, PATA's signature events, Membership recruitment, regional educational and industry training initiatives, and the PATA Travel Mart 2011. The bureau serves an active member of the chapter's Education, Marketing and Membership committee and GVB's Marketing Manager serves on the chapter's Board of Directors and is co-chairperson for the Marketing Committee.

Issues: Board approval required for travel.

- o **Motion made by Director Yoshino, seconded by Director Cristobal, to approve travel for Marketing Manager and Marketing Staff to attend the PATA Travel Mart taking place in New Delhi, India from September 6-9, 2011 (Estimated cost: Estimated cost up to \$7,900 from PTM Pacific Acct#PA-SMD026). Motion approved.**

Discussion:

- P. Laguana stated that India is the second largest outbound market source in the world, second to China. She stated that India is the venue that the Travel Mart is taking place.
- P. Laguana stated that the PATA Travel Mart is a signature event of the Pacific Travel Association. She stated that it is an opportunity where there is one on one sales meeting with international world suppliers.
- P. Laguana stated that the Bureau would have a booth selling Guam and encouraging international buyers to create Guam packages. She stated that the buyers are selected.
- P. Laguana stated that there are buyers from Singapore, Philippines, Korea and all the other market sources. She stated that it updates the buyers on the products of Guam and to help them put new itinerary together to sell to their customers.
- Director Calvo inquired if it is an annual event.
- P. Laguana replied that yes and that it is part of the marketing plan. She stated that it helps develop and promote new suppliers to the rest of the people who specializes in Asia Pacific destinations.
- P. Laguana stated that the Bureau has not developed India at all. She stated that she explained to Chairman Mesa that anytime there is a new directive it needs to be turned into a board policy.
- P. Laguana stated that it is a venue to hold the event. She stated that every year it changes from place to place.
- Chairman Mesa stated that there are outcomes from the PATA relationship.

Estimated Airfare Expense:	\$1,700 x 2 Pax	\$3,400.00
Per Diem	\$400 x 5 days x 2 pax	\$4,000.00
Misc. Airfare Expenses/transportation costs/add'l fees, etc.		\$ 500.00
Total Estimated Travel Expenses:		\$7,900.00

Background:

The PATA Travel Mart is Asia Pacific's premier travel trade show and will take place in New Delhi, India. With new state of the art infrastructure and additional room capacity, India has proven to be a destination capable

in hosting PATA's annual travel trade business-to-business trade show. Approximately 40 pre-qualified B2B appointments are set up by PATA for the Sellers, and GVB marketing personnel will be attracting travel agents looking to develop new travel products, and businesses from diversified market sources as well as travel agents from Korea, China, Russia, Australia and Europe and many parts of Asia.

The bureau's intent is to develop new tour packages for Guam and Micronesia. The PATA Travel Mart is PATA's signature annual event and one of the PATA Micronesia's main annual trade events.

Issue: Board approval required for travel.

- Director Yoshino stated that he spoke to Acting GM Denight regarding the incident in Taiwan that some visitors were denied boarding on China Airline and EVA Airline.
- Acting GM Denight stated that what happened was two days ago there was a plane outbound from Taiwan. He stated that passengers need two identifications, which is a passport and a Taiwan I.D.
- Acting GM Denight stated that it is issued when you are 14 years and older. He stated that a 15 year old passenger on the plane did not have an I.D. who was traveling with a tour group without a written parent's consent.
- Acting GM Denight stated that the airline from Taiwan called the immigration office on Guam and was informed that the passenger would not be allowed to enter Guam. He stated that it scared off some of the group members with children.
- Acting GM Denight stated that there are questions about passengers 14 years old or younger on what kind of identifications are needed. He stated that he spoke to immigration and had clarification.
- Acting GM Denight stated that it was under control. He stated that at first he was told that it was 150 passengers but it turned out to be only 30.
- Director Calvo inquired if they came to Guam.
- P. Laguana replied that some of them rebooked and were on the next flight but the others she is not sure.
- Director Calvo inquired if it is a Taiwan issue.
- P. Laguana replied yes.
- Director Cristobal suggested that as the trade packages are being prepared that the issue be a consideration.
- P. Laguana stated that it is posted on the website and she would be issuing a reminder to the travel agents and the carriers. She stated that it is an existing regulation.
- P. Laguana stated that it is a unique situation that a teenager was traveling without his parents.
- Director Calvo suggested that detailed layout for travelers on what is needed and required to enter Guam should be provided in the care packets for the trade mission.

G. New Market Development:

- Nothing to report.

H. Destination Management:

- Chairman Mesa inquired if there are any updates on the road repair in Tumon, which is still not paved.
- J. Sugawara replied that they are still waiting for the approval of the asphalt.
- Chairman Mesa inquired if it would be completed soon.
- Acting GM Denight replied that the hold up is the aggregate, which has not been resolved yet. He stated that he would follow up with the contractor.
- Chairman Mesa stated that it is noticeably dark in Tumon. He inquired if it is part of the \$485,000 upgrade.
- J. Sugawara replied no.
- Director Calvo inquired if DPW does the repairs.
- J. Sugawara replied that the Bureau buys the supplies. She stated that GPA and DPW install the lights.
- Acting GM Denight stated that it is bottlenecked because DPW has to get the GPA trucks to install the lights.
- Director Calvo inquired if it would be under the PMO's responsibility.
- Chairman Mesa replied yes.

- Director Calvo inquired if management could look into an MOU with DPW so that they could delegate the project to the Bureau who in turn would contract it out.
- Chairman Mesa stated that GM Camacho is working on it.
- Chairman Mesa stated the need to get the administration's support.
- Director Calvo stated that it would be easy to work with DPW because it is a line agency. He stated the need to talk to CCU regarding the MOU with GPA.
- Vice-Chairman Baldyga suggested coordinating with DOC to have the inmates paint the curb at least twice a year.
- Acting GM Denight stated that LMS included the painting of the curbside is in their contract.
- J. Sugawara reported that GPA has an ARRA grant to change the light bulbs in Tumon.
- Chairman Mesa inquired what is the status of the grant because by April 2012, the grants should be completed.
- J. Sugawara replied that she would follow up with GPA.

I. Membership Development:

- Nothing to report.

J. Research:

- Director Taimanglo reported that the research department is putting together an exit survey for the China flights.

K. Cultural Heritage & Community Outreach:

- **Motion made by Director Flores, seconded by Director Cristobal, to approve travel for 4 pax to attend the airport ceremony and courtesy calls with local government and media in Sendai, Japan from July 24 – 28, 2011 (Estimated cost up to \$9,032.00, Acct. No. CPO-001).
Motion approved.**

Background: March 11, 2011 the Tohoko Region was hit by 9.0 earthquake followed by a tsunami that reached the Sendai Airport. Sendai Airport reopened for domestic service in June and is now opening for limited international service. Guam has been selected to be the first destination for charters out of the Sendai Airport with two charter flights to Guam in July. In order to show support of the Sendai Tohoko area in conjunction with Continental Airlines, Guam will send a 4-member delegation to attend the airport ceremony and courtesy calls with local government and media. Continental is providing 4 airline tickets.

Issue: Board approval required for all travel.

- **Motion made by Director Flores, seconded by Director Taimanglo, to approve GVB Grant-in-Aid Policy regarding organizations or individuals eligibility. Those receiving direct appropriations from the Tourist Attraction Funds are not eligible for a GVB grant within the same fiscal period.
Motion rescinded by Director Flores for refinement.**

Discussion:

- Chairman Mesa stated that there are GVB budgets that are appropriated directly to other projects outside of GVB's normal budget marketing. He stated that they are pass through budgets.
- Chairman Mesa stated that the same group that receives the pass through budget comes back to GVB for a second request for additional funding. He stated that the committee feels that once a group has already been allocated, coming back to the committee for a second request to support the same thing that they are doing is not in line with the spirit of the initial support.
- Director Flores stated that it is a committee policy that they want to implement.
- Director Cristobal inquired if the policy is for organizations like Pa'a Taotao Tano who are not eligible to get a grant through the CHaCO committee because they already receive a pass through budget.
- Director Flores replied yes.

- S. Sellers stated that the committee is trying to limit what an organization receives, for example if Pa'a Taotao Tano gets direct appropriation then the committee would not want to give them a grant. She stated that the committee does not have a lot of money.
- Chairman Mesa stated that if the organization does not receive the appropriation then they still have the chance to get a grant but in smaller amounts.
- Director Cristobal inquired what is the rationale in the policy.
- S. Sellers stated that there is not enough money to go around. She stated that the CHaCO committee feels that some of the organizations go directly to the Legislature to circumvent the process.
- Director Taimanglo stated that the committee's concern is that they are using the grant for the same intent and purpose that is granted by the Legislature. He stated that a lot of times CHaCO does not know that the grant legislative appropriation is use for the same purpose.
- Director Taimanglo stated that the committee is trying to eliminate double dipping for the same intent and it could be for the same amount.
- Director Cristobal stated that her concern is that the committee rather than for the board to outright say that they are not eligible could handle the eligibility. She stated that the eligibility criteria eliminate the double dipping.
- Director Cristobal stated that the committee could review the proposals when it comes in and see if they are doing the same thing as the original appropriation.
- Vice-Chairman Baldyga inquired if it gets the staff out of the hot seat if there is a policy.
- S. Sellers replied yes.
- Director Cristobal stated that the downside of the policy is that it cuts down the cultural projects.
- Vice-Chairman Baldyga stated that they couldn't apply if they already received the money from somewhere else.
- S. Sellers stated that if an organization already received TAF funding within the same fiscal year then they are not eligible. She stated that the committee is requesting that a policy be in place where the committee does not have to entertain the request.
- Vice-Chairman Balydga stated that if they did not received the money then they could apply. He stated that if they already received funding then they couldn't get funding again.
- Director Cristobal stated that her concern is other creative projects that may not be part of the intention of the original appropriation.
- Director Flores stated that she sees Director Cristobal's point.
- Director Taimanglo inquired if the inclusion could be included as part of the policy.
- Director Cristobal stated that the policy should include that the eligibility criteria could be changed so that if the proposal is to do the same as the intent of the appropriation then they are not eligible but if it is for creative project that is not included in the original intention then they could apply.
- Acting GM Denight stated that it would be okay.
- Director Crisostomo stated that same group but a different project would be okay.
- Director Flores stated that if management could take care of monitoring what projects have been funded then it would be okay.
- Director Flores stated that there are a lot of abuses. She stated that the organization goes straight to the Legislature for an appropriation.
- Director Cristobal stated that if an organization receives a grant from CHaCO and then goes to the Legislature for additional funding, nothing could be done about it.
- Acting GM Denight stated that it would be okay because the grant they received from CHaCO is an initial startup and the organization probably needs more funding.
- Director Calvo inquired if the chairman wants to supplement the policy by stating that if an organization does receive a grant and then get a direct appropriation, the committee could rescind the approval.
- Director Cristobal suggested that Director Flores refine the motion. She inquired if the motion is time sensitive.
- Director Flores replied that it is not time sensitive.

- Chairman Mesa requested that the committee tighten up the motion. He stated that he sees the point on some legitimate new projects.
- Director Calvo stated that the committee could either revoke the grant or get a refund if an organization does get other public funding or appropriation.
- Director Flores stated that she did not anticipate any concern of the policy. She stated that she would take it back and discuss it more at committee level.
- Chairman Mesa reiterated to tighten up the policy.
- Director Calvo suggested tightening up the grant application and language.
- Director Flores stated that the committee is in the process of developing a lot of policies.
- Chairman Mesa stated that the whole policy could be ratified at the board level.
- Director Flores stated that she rescinds the motion.
- Chairman Mesa stated that the refined policy could be implemented in the new fiscal year.

L. Sports & Events:

- Director Crisostomo stated a motion to approve the new goals and objective was supposed to be included today. She stated that the committee refreshed the objectives of the previous goals and objectives.
- Director Crisostomo stated that she would bring it to the board for approval at the next meeting.
- Director Calvo inquired if the Bureau is involved in the SPG games.
- Director Crisostomo replied that it is not included in the budget. She stated that she would discuss it at the next committee meeting.
- Director Crisostomo stated that it is something to look at. She stated that every country that is involved is the Bureau's market.
- Director Crisostomo stated that those are the countries that she wants to talk to.
- Director Calvo stated that the SPG games are coming up fast.
- Chairman Mesa stated that it is scheduled for the end of August or early September.
- Director Crisostomo stated that she is really surprised that no one has requested for funding for the teams fundraising efforts.
- Acting GM Denight stated that they usually wait until the last minute.
- Director Crisostomo stated that it would be great to assist the teams. She stated that they are the ones going out supporting Guam.
- Director Crisostomo stated that countries that have never heard of Guam would hear about it.
- Director Calvo inquired if GVB is involved with GNOC. He inquired if it is good for the Bureau to sponsor a team.
- Director Crisostomo replied that it is something to sit down and discuss with the committee.
- Director Calvo stated that he is not sure if it is an economic loser for the island.
- Director Calvo stated that one of the things that would boost the economy is the master's game similar to what Australia has. He inquired if the committee has ever looked into it.
- Director Calvo stated that it involves all the sports. He stated that Guam does send a team to Australia.
- Director Calvo stated that it is good for the economy because the participants are professionals that stay at the hotels and eat and drink all night.
- Director Crisostomo stated that there is something like that on Guam where there is a golf master's tournament.
- Director Calvo stated that it could be scheduled during the slow season.

❖ **EXECUTIVE SESSION**

- No executive session.

❖ **OLD BUSINESS:**

- No old business.

❖ **NEW BUSINESS:**

- Director Crisostomo stated that she missed the first Government Ethics class, which is required for new board members. She inquired if there is another class scheduled.
- D. Hernandez replied that UOG would be sending out a notice for the new schedule.

❖ **ANNOUNCEMENTS**

- Director Flores announced that the Agat GIFT is scheduled for this Sunday at 11:00 a.m.
- Vice-Chairman Baldyga announced that the VIP party for the opening of his beach bar is scheduled for Saturday, July 23, 2011. He stated that it is an all white party.

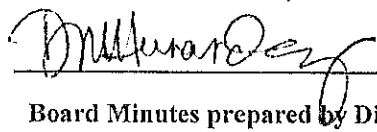
❖ **ADJOURNMENT:**

- Motion made by Director Cristobal, seconded by Director Taimanglo, to adjourn the meeting. Meeting adjourned at 6:07 p.m.

Attested:



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



Board Minutes prepared by Dina Rose Hernandez, Executive Secretary