



REGULAR BOARD MEETING
GVB MAIN CONFERENCE ROOM, 4:00PM
THURSDAY; September 9, 2011

Board of Directors Present:

Chairman Monte Mesa	Hope Cristobal
Hayato (Jack) Yoshino	Carol Tayama
Theresa C. Arriola	Judy Flores
N. Oscar Miyashita	Nathan Taimanglo
Rizk Saad	Jennifer Crisostomo

Board of Directors Present Telephonically:

Bruce Kloppenburg

Board of Directors Absent:

Vice-Chairman Mark Baldyga
Eduardo (Champ) Calvo

GVB Management and Staff Present:

Joann G. Camacho	Nathan Denight	Rose Cunliffe
Debi Phillips	Tony Muna	Nadine Leon Guerrero
June Sugawara	Doris Ada	Felix Reyes
Jessica Peterson	Charlene Hitosis	Dee Hernandez
Kraig Camacho	Sonja Lujan-Sellers	Regina Nedlic
Janel Perez		

Guests:

❖ **Proceedings:**

Meeting called to order at 4:04 p.m. by Chairman Mesa.

Review of the previous Regular Board minutes dated August 25, 2011.

- o **Motion made by Director Flores, seconded by Director Cristobal to approve the minutes of August 25, 2011.**

Motion approved (subject to correction).

Discussion on By-Laws:

- Director Miyashita inquired about the position of the board in changing the By-Laws.
- Chairman Mesa replied that GM Camacho sought legal counsel and they provided a redlined version of the proposed amendments to GVB's By-Laws, which would be submitted to the Membership Committee for review.
- *Copies of the letter from Fisher & Associates were given to all board members present.*

❖ **Chairman's Report:**

- Chairman Mesa stated that the letter from legal counsel would be handled accordingly by the Board and Membership Committee.
- Chairman Mesa announced to the board that a meeting was held on September 1, 2011 prior to the arrival of CODEL Delegation with Congresswoman Bordallo's Chief of Staff, John Whitt, and Matthew Herrmann who reported status on the China Visa Waiver Program.
- Chairman Mesa stated that early next year Administration should receive a formal response from Homeland Security, pending the Department of Defense's final policy on their position. He stated that it would be difficult



for Homeland Security to issue policies on Parole Authority or Visa Waiver Program from now to the end of the year because of the budget. Once resolved, it could be handled with more leverage on persuading Homeland Security to come up with their final report based on all due diligence that is being ascertained, so that they cover all their grounds to make the justification for issuing the Parole Authority.

- Chairman Mesa stated on a positive note within Homeland Security, they are drafting positions that are towards allowing the request that is coming from Governor Calvo and Congresswoman Bordallo. He stated that Homeland Security's position is leaning towards a more favorable outcome and although no one has seen the list from Congresswoman's office her staffers stated that there has been a list compiled.
- Director Miyashita inquired if there are any discussions set prior to Homeland Security's final rule next spring and if Governor Calvo and Congresswoman Bordallo would continue to follow up.
- Chairman Mesa responded yes and that there are other efforts locally.
- Chairman Mesa stated that he has a meeting scheduled for September 13, 2011 with RADM Bushong, COC Chairman Kaleo Moylan, and GHRA Chairman Bartley Jackson to have a unified voice to finalize and re-enforce our position as well as requesting to support us by issuing a written endorsement through his channel.
- Director Cristobal inquired about the support from the U.S. Travel and Tourism Office.
- Chairman Mesa responded yes and that the Bureau is pursuing that and to include the support from American Chamber of Commerce and requesting for their support letter. He stated that GM Camacho is also in communication with the Corporation Travel and Promotion in working with them and to get their support, since it's part of their International Marketing Policy
- GM Camacho added that although it looks bleak, we should not give up hope in terms of getting the Parole Authority versus China Russia Visa Waiver Program.
- GM Camacho stated that there is conflict in Washington, DC and that 50% support to promote tourism, culture, trade, and investment and 50% oppose stating that China is not good for the United States. She stated that Guam is caught in the middle and that Parole Authority would be the best option at this moment.
- Director Miyashita questioned the proposed amendments to the By-Laws that was prepared by legal counsel, specifically under regular meetings it calls for meetings on the 2nd Thursday of each month. He stated that there would be an issue not receiving the financials on a timely basis and that he would prefer the 3rd or 4th Thursday of each month.
- Chairman Mesa stated that those were proposed amendments and would be finalized with all board members.
- *At Chairman Mesa's request the BOD Attendance sheet was distributed to all board members present.*
- Chairman Mesa stated that he wanted to share the attendance record to track three consecutive absences.

❖ **General Manager's Report**

- Copies of General Manager Joann Camacho's report were distributed to all Board members present during the meeting.
- GM Camacho stated Guam had a record month in arrivals for August.
- Chairman Mesa inquired the status of Continental's charter out of Taiwan and if there were charters scheduled for September.
- GM Camacho replied yes and that the aircrafts are at full capacity between Eva Airways and China Airlines.
- Director Taimanglo added that although the numbers in Japan are down for August they have peaked and are above pre-disaster levels.
- GM Camacho stated that it should start normalizing with the strength of the Yen and the increase in passenger visits from Korea and Taiwan.
- GM Camacho reported on the China Market and that in Shenyang there was one charter cancellation, which was due to the low successful rate of getting U.S. Visas and not enough time to sell the seats; Beijing has two flights that were scheduled and have been sold out; and in Shanghai there were originally thirty scheduled charters and twenty-four have been cancelled.
- GM Camacho stated that there are a total of nine scheduled charter flights from Shenyang, Beijing, and Shanghai.

- Chairman Mesa inquired if the reasons for the cancellations had to do with the Commercial Services offices for that region are not being set up properly.
- GM Camacho responded that there were three factors 1. Competition: Okinawa and Hawaii offered more monetary support to the Travel Agency to promote charter flights; 2. Investment: GVB's budget was only able to offer \$10,000, which Hawaii gave over \$100,000 and additional monies for ad support and 3. The ability to obtain U.S. Visas is a slow process.
- GM Camacho stated that Governor Calvo is scheduled to go to Shanghai and Beijing in October and will work on charters in hopes on getting this turned around.
- Director Saad stated that the visa process is the same in Hawaii as in Guam.
- Chairman Mesa replied yes with the exception of incentives being offered and stated that this was a major obstacle in competing with commissions.
- GM Camacho announced that Grants-In-Aid are now available and can be picked up at the GVB reception area. The deadline to submit is on September 30, 2011 at 5:00 p.m.
- GM Camacho stated that the grants are aimed to develop Cultural Tourism, Ecotourism, Educational Tourism, Health and Wellness Tourism, and Sports Tourism.
- GM Camacho announced the new Guam Guide Book and stated that 10,000 were printed. She stated that there were minor corrections to be made, because of comments from Dr. Wyttenbach-Santos, however GVB has also received positive comments on the book.
- Director Tayama inquired with GM Camacho if she would present the Grants-In-Aid packets to the Mayor Council.
- GM Camacho announced GVB staff, Jessica Peterson's website www.theguamguide.com, which is a site for media communication, rating businesses, and adding events.
- Director Cristobal inquired with GM Camacho about comments made by Dr. Wyttenbach-Santos and asked if GVB has a clearinghouse for historical facts or if GVB has a contract with someone who reviews Guam history.
- GM Camacho responded that when GVB works on reports and researches, the staff obtains information from the University of Guam, Department of Chamorro Affairs, or the Legislature.
- Director Flores added that the CHaCo committee could do the review.
- GM Camacho stated that she would have Marketing utilize all resources in-house and submit to CHaCO for review.
- Director Cristobal added that the way GVB presents historical facts, contents, and presentations are important.

❖ **Report of the Treasurer:**

○ **Cash Position Report:**

- Cash report as of September 6, 2011.
- Total cash in banks report (as of 9/6/11) \$5,368,962.69
- Total allotment received to date: \$11,545,898.00

- Director Cristobal inquired with GVB Management on the estimated date of completion for the construction at the GVB office.
- GM Camacho responded that they've been delayed due to rain and due to the noise of the construction they have been asked to stop when meetings are in session, but she stated that completion should be before the Guam Micronesia Island Fair.
- Director Cristobal made Director Saad aware of the Bank of Guam TAF Account in the amount of \$198,000 was for his committee to use for beach cleaning, landscape maintenance, and irrigation.
- Rose Cunliffe advised the board that GVB would be receiving \$600,000 as per FY2011 allotment notice.
- GM Camacho commented that for FY2012 budget, the additional \$1.2 million that GVB was able to work out with Senator Muña Barnes believes it would be passed, however there is a stipulation that all pass through would not be carried forward, which helps GVB.

❖ **Report of the Board Committees:**

A. The Strategic Advisory Council:

- Nothing to report.

B. Administration/Government Relations:

- Director Cristobal stated the only issue outstanding is the Project Management Officer procurement that is ongoing at GEDA.
- Director Cristobal stated that she spoke with GEDA Project Manager, Larry Toves and that three contractors have been short-listed and negotiations are still ongoing and that they expect the final contract to be completed by Thursday, September 15, 2011.
- Director Cristobal stated that L. Toves informed her that Planner Mike Cruz will assist him and that the first project they will embark on is the museum.
- Director Cristobal commented that time is of the essence and the bond monies need to be encumbered by 2014 and that the museum is a huge facility with design phase taking up to six to eight months and construction up to thirty-six months.
- GM Camacho informed the board that she and Director Cristobal were not selected to be on the committee as she was told that the committee includes all other infrastructures for Guam. She stated that she would track the expenses and the execution of the \$55 million and the percentage is within reason.
- Director Cristobal questioned if one Project Management Officer was enough to handle a \$55 million budget with numerous projects.
- Chairman Mesa responded that it will be one company with the expertise to handle all of those projects.
- Director Miyashita inquired with Chairman Mesa what Governor Calvo's position was on the recommendations set forth by the board on the priority list.
- Chairman Mesa stated that Governor Calvo understood the board's recommendations on the priority list of projects and as soon as the Project Management Group is selected then his office would identify the priorities.

C. Executive Committee:

- Nothing to report.

D. Japan Marketing:

- **Motion made by Director Yoshino, seconded by Director Taimanglo to revise the previously approved motion on August 25th for the JATA Tourism Forum and Travel Showcase to include the Japan Volunteer Tour and the Japan Trade Mission. Travel dates from September 26 – October 4, 2011. (Estimated cost of travel \$26,050.85, account numbers TTC001 and SMD008). Motion approved.**

Background:

On August 25th the Board approved travel for 6 people to attend the JATA Tourism Forum and Travel Showcase with an estimated cost of travel at \$17,224.80. Since the approval of this motion more information has been made available for additional events happening within Japan and Guam.

Governor Calvo is confirmed to attend the Japan Trade Mission that is being organized by GEDA as well as the JATA Tourism Forum and Travel Showcase. He however, has a function on October 1 on Guam that he must attend.

The Japan Volunteer Tour to assist with the clean up of the Tohoku area will take place from October 2 – 6, 2011. The Japan Club of Guam has been actively fundraising to assist Japan in their recovery efforts. The Governor has confirmed that he will be able to return to Guam on October 2 to meet with the Governor of the Iwate Prefecture and present the donation check on behalf of the Japan Club of Guam.

Name	Travel Dates		Total
Governor Calvo	Sept 26 -Oct 1, 2011 and Oct 2 - 4, 2011	6 days in Tokyo @ \$678.60, 1 day in Morioka @ \$370.50	\$4,442.10
Senator Barnes/Pangelinan/COF	Sept 26 - Oct 1, 2011	5 Days Tokyo @ \$678.60	\$3,393.00
GVB Chair Mesa	Sept 28-Oct 1, 2011	3 Days Tokyo @ \$652.50	\$1,957.50
JMC Chair Baldyga	Sept 28-Oct 1, 2011	3 Days Tokyo @ \$652.50	\$1,957.50
GM or DGM	Sept 28-Oct 4, 2011	5 Days Tokyo @ \$652.50, 1 Day in Morioka @ \$356.25	\$3,618.75
Nadine Leon Guerrero	Sept 27-Oct 4, 2011	6 Days Tokyo @ \$522	\$3,132.00
Train fare Tokyo-Morioka RT		\$550 per person round trip x 3 (Gov, GM/DGM and JM)	\$1,650.00
Car rental	Morioka to Kamaishi RT	1 day car rental	\$300.00
Airfare (7 pax x \$800.00)	(includes 2 airfare for Gov)		\$5,600.00
			<hr/> \$26,050.85

- Direct Yoshino stated that due to conflict of schedule they did not have their committee meeting.
- Director Yoshino stated that this month there would be four flights a week between Okinawa and Guam.
- Director Yoshino commented that from a private sector point of view the trend that he's seeing in hotel rates that there are no median class. The trend is leaning towards good and low-end client.

E. Korea Marketing:

- Director Miyashita stated that the YTD numbers have increased, however the numbers are alarming in terms of the number of seats available.
- Director Miyashita stated that the key to increase Korea's market share would be to get the additional seats.
- Director Miyashita informed Chairman Mesa that he would be going to Korea at the end of September and would meet with the President of Jin Air, Korean Airlines, and with other key players.
- Felix Reyes stated that Dynamic Air has cancelled flights prior to launch.
- Director Miyashita added that this was a last minute cancellation, which could have been possibly due to pressure from Korean Airlines.
- Director Taimanglo stated that two board meetings ago they discussed seats versus load factor and inquired when we increase seat capacity and never change the load factor and if the load factor is not 80% does it do anything in increasing seats.
- Director Miyashita responded that the airlines will not increase seats until such time when the load factor continues to increase and also the agents will not be able to sell more unless they're seats available and the load factor is average and however there are certain times when it will be above 70%.

F. Existing Markets:

- Director Yoshino announced that on October 30th Continental/United would start the Boeing 777 service to Guam from Hawaii, therefore carrying more passengers.
- Director Taimanglo commented that Continental/United would be extending the Boeing 777 to Japan.
- Director Yoshino made a comment to the board that he would look into the impact GVB gets with the involvement in PATA.

G. New Market Development:

- Director Kloppenburg stated that Guam had twenty-four charters cancelled and lost them to another destination, because they made the package attractive and their support fees were much more lucrative.
- Director Kloppenburg conveyed to the board and management about the necessity of the Parole Authority.
- Director Yoshino stated that in Director Kloppenburg's absence he chaired the committee at last week's meeting and that there were feedback from the members on how disappointed they were on the cancellation of charters and they wanted to know the real reasons why there was such an increase in cancellations, because they were not convinced that it was due to Hawaii's large monetary support.
- Director Yoshino stated that Shenyang is known as an easy place to issue visas, but the denial rate was extremely high at around 60-70%.
- Chairman Mesa inquired if this was for overall applications into the United States or group applications coming to Guam.
- Director Yoshino replied that he was not sure.
- Chairman Mesa stated that if the rejections were due to applications coming to Guam then there would be real issues that would need to be brought up with Commercial Services out of that particular area.
- Director Yoshino stated that the members wanted to revisit next years budget, because a lot of money was allocated to China and they wanted to revisit based on the news of charter cancellations.
- Director Kloppenburg agreed and suggested the need to discuss the ramifications and move forward.
- Director Yoshino suggested that Guam target multi entry visa holders.

H. Destination Management:

- **Motion made by Director Saad, seconded by Director Arriola to authorize the General Manager as Chief Procurement Officer of GVB to begin negotiations with the highest ranked respondents for RFPs: 2011-015 Contract Administration & Quality Assurance Management Services and, if successful, enter into a contract.**
Motion approved.

Background: GVB issued RFP 2011-015. The required services are for management of GVB's major contracts: Tumon Landscaping, Tumon/Hagatña Beach Cleaning and Highway Landscape Maintenance.

Issue: Board approval required to proceed with projects.

- Director Saad stated that he had a meeting earlier this afternoon with GM Camacho, DGM Denight, Department of Public Works (DPW), and Maeda regarding the serious issue of flooding in Tumon. He stated that there is no government or federal funding and the only solution to it is the bond money.
- Director Saad stated that DPW Director Joanne Brown made it clear that DPW has been tasked with numerous projects that they don't have the budget or the manpower to handle the flooding.
- Director Saad informed the board that they agreed with a short-term solution with funding of about \$400,000 to do the maintenance.
- Director Saad stated that DPW Director J. Brown brought up the issue of the maintenance of the pump and who would be responsible for it and pay for the cost of electricity.
- Director Saad informed the board that the long-term solution would be to submit designs and the cost of a new pumping station. The new design would pump from Tumon to Harmon and the engineers estimate the cost to be \$8 million. He stated that they should have an answer within ninety days or the beginning of January 2012.
- GM Camacho stated that if the long-term solution goes through, she reiterated that DPW Director J. Brown stated that her department will not be able to maintain and made the recommendation for GVB to handle.
- Director Arriola inquired if anyone is currently maintaining that area.
- Director Saad replied no one and that it should be DPW, because this is a road issue.

- GM Camacho suggested for a maintenance agreement to clear twenty-one drainages and pump out whatever flows into the ponding basin, especially when it starts raining it would need to be pumped out as quickly as possible.
- Director Saad was pleased to announce the sign for Ypao Road was installed.
- Director Miyashita inquired about the street light issue, if ARRA only covered certain scopes of the streetlights.
- Director Saad responded that ARRA only covered light bulbs and not wiring repairs.
- Director Saad stated that a meeting is scheduled tomorrow, September 9, 2011 with Guam Power Authority (GPA).
- GM Camacho stated that in the proposal, wiring is not covered and that she would have GPA advise if the proposal is fair or not fair, receive a final amount, and look internally how to get it funded.
- GM Camacho stated that the committee and Bureau are all committed in getting this project completed and correctly installed.
- Director Arriola added that the board and Bureau must keep in mind to determine who would be responsible for the power bill.
- Director Cristobal inquired about the increase in foot traffic on top of the cliff line at Ypao Road, because of the danger that it exists to pedestrians.
- Director Saad stated that there is no public transportation and that hotels have very limited transportation.
- Director Miyashita added that he had a conversation with DPW and that the first phase was to expand the road and the second phase was the sidewalk.
- Director Saad stated that there was a public hearing three weeks ago at the Mayor's office, which DPW showed plans to widen the road, but the issue was that it would take property away.
- GM Camacho added that she heard that the street would be made as a one-way street.
- Director Saad stated that the issue to be addressed would be to have a protected sidewalk.

I. Membership Development:

- **Motion made by Director Arriola, seconded by Director Tayama, to increase the membership dues from the current rate of \$100 to a proposed fee approved by membership.
Motion approved.**

J. Research:

- Nothing to report.

K. Cultural Heritage & Community Outreach:

- Director Flores stated that the meeting on September 7, 2011 was cancelled and would be rescheduled for next week.
- Director Flores announced that the Grants-In-Aid deadline is on September 30, 2011.
- GM Camacho stated that it has been requested by Mayor Tayama to do a presentation at the Mayors Council and that she would draft a letter for a special presentation.
- Director Flores announced Mangilao's Donne' Festival this weekend.

L. Sports & Events:

- Director Crisostomo stated that there were three grants approved and the recipients are the Guam Bowling Congress for the 11th Asian Seniors Bowling Championship, Guam Kayak and Canoe Federation for the 13th Annual Micro-Cup, and Chip-timing System for the Guam Running Club.
- Director Crisostomo added that the Bowling Championship is expecting the participation of about 300 senior bowlers from overseas.
- Director Crisostomo shared with the board that on the second weekend of October she would be in Washington, DC and on her way back she would attend the Sports Tourism Conference in Japan at her own air travel expense.
- Director Arriola suggested that since GVB would be benefiting from the information that she would bring back as well as using her personal air travel that GVB should consider providing per diem for the number of days she would attend the conference.

- GM Camacho stated this would be on the agenda for the next board meeting.
- Director Cristobal suggested to Director Crisostomo to look into senior citizen paddling.

❖ **EXECUTIVE SESSION**

- Nothing to report.

❖ **OLD BUSINESS:**

- Motion made by Director Miyashita, seconded by Director Flores, to reconsider changing the Board of Directors meeting from twice a month to once a month subject to the approval of the Guam Visitors Bureau members.
Motion approved.

❖ **NEW BUSINESS:**

- No new business.

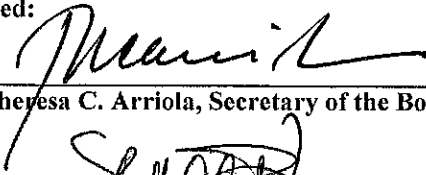
❖ **ANNOUNCEMENTS**

- Director Flores invited the board to her book release tomorrow at the Lujan House in Hagatña.

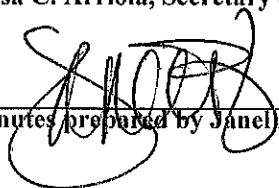
❖ **ADJOURNMENT:**

- Motion made by Director Cristobal, seconded by Director Miyashita, to adjourn the meeting. Meeting adjourned at 5:24 p.m.

Attested:



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



Board Minutes prepared by Janel Perez, Executive Secretary