

REGULAR BOARD MEETING  
GVB MAIN CONFERENCE ROOM, 4:00PM  
THURSDAY; October 28, 2010

**Board of Directors Present:**

Chairman David Tydingco	Bert Unpingco
Hong Soon Im	Bartley Jackson
Judy Flores	Carol Tayama
Richard Lai	Jack Yoshino
Bruce Kloppenburg	Gordon Chu

**Board of Directors Present Telephonically:**

**Board of Directors Absent:**

Vice-Chairman Jim Beighley  
Theresa Arriola

**GVB Management and Staff Present:**

Gerry Perez	Ernie Galito	Debi Basa Phillips
Pilar Laguana	Gina Kono	Nadine Leon Guerrero
Sonja Lujan-Sellers	Charlene Hitosis	Doris Ada
June Sugawara	Juanita Aguon	Regina Nedlic
Amanda Lawson	Dee Hernandez	

**Guests:** Masanori Kanasugi, JGTA

❖ **Proceedings:**

Meeting called to order at 4:09 p.m. by Chairman David Tydingco.

Review of the previous regular Board minutes dated October 14, 2010.

- o **Motion made by Director Jackson, seconded by Director Tayama, to approve the minutes of October 14, 2010.**

Motion approved (subject to correction).

❖ **Report from the Chairman:**

- Chairman Tydingco congratulated GVB's staff and management for all the work that was done in the past few weeks relative to the China Symposium, GMIF and KKRR. He stated that overall the event turned out great, which was positive for the community and visitors.
- Chairman Tydingco stated that as he was departing the grounds after the KKRR and there was a challenge at the intersection of Hilton. He stated that runners were still coming back.
- Director Jackson stated that yesterday, he met with the highway patrol in anticipation of PIC's run scheduled for November 7<sup>th</sup>. He stated that the same issue was brought up regarding Hilton's intersection.

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- GM Perez stated that during the planning meeting, GPD was present and notices were given to GHRA and JGTA. He stated that it was too bad that it didn't get to the right people.
- N. Leon Guerrero stated that notices were also sent to businesses along the course.
- Chairman Tydingco stated that the challenge was, even if notices were sent, businesses couldn't close. He stated that there has to be a better way to handle the issue.
- GM Perez stated that he would be reporting on the financial report at a later date. He stated that the reports are still coming in.
- GM Perez stated that the event value grows more and more and the government and GVB's financial contribution lessens.
- Chairman Tydingco announced that the Secretary of State would be arriving on Guam. He stated that he discussed with GM Perez on briefing the Governor in regards to the China Visa Waiver issue.
- Chairman Tydingco stated that the reason he is hoping that CW Bordallo is delayed is that she is arriving with the Secretary of State.
- Chairman Tydingco stated that a meeting was conducted between CW Bordallo's office and DHS and still there were no final answers.
- GM Perez stated that he spoke with George Bamba and what George wanted was something other than the briefing. He stated the need to draft a letter to Janet Napolitano.
- Chairman Tydingco suggested scheduling the gathering with the mayors as soon as possible.
- Director Kloppenburg stated that it is scheduled for November or early December.
- Director Kloppenburg stated that the venue is at GVB's parking lot to coincide with the Christmas Illumination.
- Chairman Tydingco stated that the purpose of the gathering is to institutionalize them as part of GVB's process.
- GM Perez stated that one of the ideas is to get the mayors together with the board members an hour before the other guests show up.

❖ **General Manager's Report:**

- Copies of General Manager Gerry Perez' report were distributed to all Board members present during the meeting.
- The cash position report was included in the General Manager's Report.
- GM Perez announced that the two dates in November for the board meeting lands exactly on two holidays. He stated that there should be a meeting in November.
- Chairman Tydingco suggested scheduling it on November 12<sup>th</sup>.
- Chairman Tydingco announced that the next meeting is then scheduled for November 12<sup>th</sup> at 4:00 pm.
- Director Kloppenburg suggested having a lunch meeting with GM Perez, Chairman Tydingco, himself and the officers of JGTA in regards to the ESTA program.
- Chairman Tydingco stated that it is still frustrating with the long lines at the airport. He stated the need to promote the use of ESTA.
- Director Kloppenburg stated that the ESTA discussion would be a great topic at the JGTC meeting. He stated that JGTA has taken a position to do away with the visa waiver.
- Director Kloppenburg stated that JGTC is having mixed signal. He stated that it is a perfect place to discuss the issue at the JGTC meeting scheduled for December.
- Director Kloppenburg stated the need to respond to JGTA's letter.
- GM Perez replied that DGM Galito has responded to the letter.

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- Chairman Tydingco commented that it was great to have the schools participate during the opening ceremony of GMIF. He stated that it is an outstanding effort to bring tourism to the students.
- P. Laguana stated that a lot of the teachers gave their students assignment to make a report on GMIF.
- Chairman Tydingco stated that in 1998, the government issued a bond, which was roughly \$53 million to help finance improvements in the Tumon area. He stated that the bond would mature in 2017.
- Chairman Tydingco stated that the bond uses TAF as its source of repayment and essentially there is an opportunity to save some money because of the float interest rate. He stated that there is also an opportunity to pour money into the community and use the proceeds from the bond to make it happen.
- Chairman Tydingco stated that originally, the success of the first round was to get the National Museum bill passed. He stated that with the upcoming FESTPAC and a number of other things, GM Perez had a discussion with GEDA on how to float something that will allow GVB to improve the entire destination and to give greater focus other than the National Museum.
- Chairman Tydingco stated that a bill was introduced by Vice-Speaker BJ Cruz and co-sponsored by everyone else in identifying the projects that would be funded around the island.
- Chairman Tydingco stated that a public hearing is scheduled for November 4<sup>th</sup> and the need for the board members to take a look at the project list and get in sync with each other.
- GM Perez stated that the legislature was successful in passing the legislation for the museum. He stated that in discussing it further with Chairman Tydingco and the underwriters, instead of going through a two step process in trying to get it done, it is cost efficient to take the existing legislation that relates to the museum and expand it and max out the borrowing capability at a time when interest rates are at record low.
- GM Perez stated that the original list that was contained in the legislation that was introduced has a couple of major projects that shouldn't be funded fully by TAF. He stated that the testimony of GVB at the public hearing is going to suggest a variety of investments.
- GM Perez stated that total estimated bond proceeds would be about \$67.3 million. (*Project list included in GM's Report*).
- Chairman Tydingco stated that Bill 485-30 that was introduced already identified specific things with specific funding amounts. He stated the need for the board to refine it so that there is a better idea on where the resources are going to be spent.
- Chairman Tydingco stated that if the board does not take a position then the Bill would pass as is. He stated that it is best to be actively engaged and take a position so that it enhances the community as a whole.
- Chairman Tydingco stated that the concern is that GVB has experienced having a debt service of \$4 million over the last few years with 9/11, Typhoon Pongsona, etc. with almost no allocation on a monthly basis to GVB. He stated the need to make sure that the board understands what the risk is and what the planning is to be able to address the issue.
- GM Perez stated that it was one of the first discussions with the underwriters.
- GM Perez stated that the benchmark of the debt service for the previous bond was \$7.4 million a year. He stated that with the discussion, they agreed not to exceed a \$6.9 million threshold, which gives \$500,000 flex from the previous benchmark.
- GM Perez stated that the other issue is the bylaw, which requires setting aside \$200,000 or certain percent of the budget every year for a Rainy Day Fund. He stated that the combination of the funds seems to be a reasonable amount.
- Director Lai inquired if the public parks and restrooms are included in the project.
- Chairman Tydingco replied that it is part of it.

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- Director Lai stated that he would like the list to be more specific. For example: build more restrooms, etc.
- GM Perez stated that some of them are specified.
- Director Kloppenburg suggested that all board members look at the list.
- Director Tayama stated that most of the restrooms are under Parks and Rec.
- Chairman Tydingco stated that it is a very ambitious plan and it requires some time to really look into the specifics.
- GM Perez stated the Public Hearing on the 4<sup>th</sup> and a legislative action before the end of November. He stated that in mid-November, it would go through a discussion with a rating agency after which it goes to pricing,
- GM Perez stated that the bond is going to be in demand because of the performance of payment.
- GM Perez stated that he needs board approval on the general listing.
- Chairman Tydingco stated that the general listing could be discussed at the committee level for refinement.
- Director Lai requested for more funding for sports and recreation. He stated that the funds could go into the school's sports facility.
- Director Lai stated that other that benefitting the professional sports team and tourism, it would also benefit the school children.
- GM Perez stated that if the board could agree on the percentage allocation priority and then revisit the specific improvements to refine it.
- Director Tayama stated that as a retired school principal, the schools get federal funds. She stated the need for the school principals to work with their improvement personnel whereas the community does not get any federal funding.
- Chairman Tydingco suggested agreeing on the general allocation. He stated that Destination Management could oversee the list.
- Chairman Tydingco inquired if anyone has any questions about the general allocation.
- Director Yoshino inquired how long would it take to pay the bond.
- GM Perez replied because of the interest loan is very low; they are going for 25 to 30 years.
- Director Gordon suggested including the maintenance of the facilities.
- Chairman Tydingco stated that the maintenance is a separate issue.
- Director Kloppenburg stated that the proposed used of capital improvements as outlined is in the 5-year strategic plan.

- **Motion made by Director Kloppenburg, seconded by Director Jackson, to adopt the capital improvement project list as outlined in the GM's Report in support of Bill 485-30 subject to refinement of the specific projects following a meeting of the committee.**  
Motion approved.

❖ **Report of the Treasurer:**

- **Cash Position Report:**
- Cash report as of October 26, 2010.
- Total cash in banks report (as of 10/26/10) \$4,095,176.63
- Total allotment received to date: \$12,409,293.00
  
- Chairman Tydingco inquired about the full accounting report.
- GM Perez replied that accounting is still working on the closing report.

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❖ **Report of the Board Committees:**

A. **The Strategic Advisory Council:**

➤ Nothing to report.

B. **Administration/Government Relations:**

- **Motion made by Director Flores, seconded by Director Lai, to amend the GVB Board of Directors Code of Ethics Policy to include 2 articles regarding the behavior of the Board of Directors when visiting the GVB offices and/or when conducting business with GVB staff on GVB premises. Motion to reflect the following terms:**

The Guam Visitors Bureau (GVB) Board of Directors is governed under the Government of Guam Ethics Code and under Title 12 GCA (Autonomous Agencies), Chapter 9 and the General Guam Visitors Bureau Code of Ethics of the Board of Directors.

In addition to the General Provisions of this Article and any other previously adopted policies and regulations, the GVB Board of Directors hereby specifically adopt the following:

1. **Refer GVB staff performance issues and direct board complaints to the GVB General Manager or the Deputy General Manager. Also, Reference: 12 GCA, Ch 9 §9106 (i): "The Board shall act only by resolution at a meeting duly held. Neither the chairperson nor the vice-chairperson nor any individual director or group of directors shall have any authority to direct any employee of the Bureau except by resolution adopted as herein provided. Any resolution or action of the Board shall require an affirmative vote of eight (8) at a properly held meeting of the Board."**
2. **Board members and/or other non-GVB employees/individuals are not allowed into the employee work areas, workstations, and staff lounge unescorted. The designated GVB staff must meet the board member/individual at the GVB Reception Area and only if necessary, escort them to the back office to conduct business. In most instances, business with staff must be scheduled and/or done at the GVB Reception Area or in the appropriate conference/meeting venue.**

Motion approved.

**Background:** The Guam Visitors Bureau Board of Directors had a working session on Monday, August 20, 2007. The above noted terms were discussed but failed to be introduced for adoption by the board as a whole as part of the GVB Board of Directors working Code of Ethics policy. All provisions and governing rules and regulations of the Guam Visitors Bureau and its Board of Directors remain applicable.

**Issue:** The GVB Board Policy must be updated.

C. **Executive Committee:**



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**D. Japan Marketing:**

- o Motion made by Director Yoshino, seconded by Director Lai, to approve travel for Mr. Yuji Mitsumori, GVB Japan Manager, Mrs. Keiko Shibuya and Ms. Ai Nagasawa GVB Tokyo and Osaka Japan Marketing and Sales Team to travel to Guam to support the execution of the annual Japan-Guam Tourism Committee (JGTC) meeting schedule for December 3, 2010. Travel dates from December 2-4, 2010. (Estimated cost \$2,062.50; account #SMD008).

Motion approved.

**Background:** As scheduled annually in December, the Japan Guam Tourism Committee meeting will feature open dialogue, formal presentations and informal discussion to allow tourism industry professionals the opportunity to receive feedback from top-level executives from respective travel agencies throughout Japan. With that said, we request the support of GVB Japan staff to execute the scheduled and arranged annual meeting.

Breakdown is as follows:

Airfare	\$500 x 3 pax =	\$1,500.00
Guam Per Diem	\$62.50 x 3 nights x 3 pax =	\$ 562.50
<b>Total Cost:</b>		<b>\$2,062.50</b>

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

**E. Korea Marketing:**

- Director Jackson stated that business is good for Korea.
- Director Im stated that he checked with the low cost carrier. He stated that Jin Air's flight from Incheon to Bangkok is 14 times a week, Jeju's flight is 7 times a week; Incheon to Clark is 5 times a week, Incheon to Macau, 5 times a week; Jeju Airlines, Incheon to Osaka, 31 times a week, Incheon to Manila, 5 times a week. He stated that there are a lot of flights but the flights to Guam on Jin Air is only once a day.
- Director Im suggested approaching the low cost carrier, Air Busan.

**F. Existing Markets:**

- Director Lai stated that to echo on Director Im's report, he suggested that the Philippine Market Rep contact Cebu Airlines to fly to Guam because majority of tourist market outbound is not from PAL but from Cebu Pacific.
- GM Perez stated that part of that is the second tier level of security in the Philippines has not been lifted so they cannot allow any additional service out of the Philippines to the US.
- GM Perez stated that their current capacity from the Philippines is as is.

**G. New Market Development:**

- Director Jackson announced a meeting is scheduled for tomorrow.
- Chairman Tydingco inquired on the status of Fly Guam.
- GM Perez replied that the glitches have been overcome and now they are in touch with the right people. He stated that they would probably get their certificate before the end of the year.



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**H. Destination Management:**

- Nothing to report.

**I. Membership Development:**

- Motion made by Director Kloppenburg, seconded by Director Lai, to approve purchase of 500 aprons @ \$10.00 each for distribution as membership gifts (Total cost is \$5,000.00 from membership account). Motion approved.

**Background:** In addition to membership certificates, members are given a small GVB gift (apron and cookbook) upon renewal or signing on as new members.

**Issue:** Board approval required.

**J. Research:**

- Nothing to report.

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

- Motion made by Director Flores, seconded by Director Jackson, to approve travel for two (2) GVB staff and seven (7) performers (2 Musician & 5 Dancers) to attend the Taipei International Fair in Taipei, Taiwan from November 3 – 7, 2010. (Estimated cost approximately \$20,358.00, Acct. # CPO-003). Motion approved.

**Cost Breakdown:**

Airfare: \$900 x 9 pax =	\$ 8,100.00
Per Diem: \$303 x 4 days x 9 pax =	\$10,908.00
Professional Fees:	
\$100 x 3 days x 2 Musician =	\$ 600.00
\$50 x 3 days x 5 Dancers =	\$ 750.00
<b>Total Cost:</b>	<b>\$20,358.00</b>

**Background:** The 2010 International Travel Fair will be held at the Taipei World Trade Center from November 5 to 8, and is sure to be another successful event for the tourism industry in the Asia region. In addition to the Travel Fair, there will also be a Travel Mart, Travel Forum and a Center Stage Performance Area; all these outlets are put in place for participants to maximize their exposure during the event. The Fair allows visitors to receive the latest travel and tourism information, as well as provide opportunity for sellers to promote their newest products and simultaneously increase business opportunities.

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

- Director Yoshino inquired when does the GIFT start for FY2011.
- Director Flores replied that the fiestas are scheduled and applications are being accepted at the Mayor's offices.
- Director Tayama stated that the deadline to apply is October 30<sup>th</sup>.

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L. **Sports & Events:**

- Nothing to report.

❖ **OLD BUSINESS:**

- Director Kloppenburg stated that JGTA is having issues with the airport and the lack of response.
- GM Perez stated that it has been a struggle.
- Chairman Tydingco stated that the issue is how to work without them or through them.
- DGM Galito stated that he called Mary Torres in regards to the letter from JGTA that they wrote to her. He stated that she informed him that some of the things she would communicate with JGTA such as the bus parking.
- DGM Galito stated that they discussed the group taxi service and to include it in their RFP. He stated that PacAir has been taking care of the taxi service.
- Director Kloppenburg inquired why the lack of communication from her.
- Chairman Tydingco stated that he is frustrated with them as well.
- Chairman Tydingco stated that JGTA is confused about the elimination of the visa waiver. He stated that they are not eliminating the visa waiver but rather all visa waiver countries are now required to go through the ESTA program if entering the US.
- Chairman Tydingco stated that it is a mandate that was put together by CBP. He stated that it might take some administrative action from CBP or congressional action relative to try and force everybody coming to Guam under the same program.
- Chairman Tydingco stated that what he agrees is the suggestion to go back to JTGA along with GVB to promote the use of ESTA in planning packages to Guam because it would address 95% of the problem of the forms at the airport.
- GM Perez stated that one of the concerns from JGTC is the responsibility and confusion of them having to do that and relying on their customers to do it.
- GM Perez stated that there is good and bad but the Bureau is on the right path in encouraging them to go through the ESTA program. He stated that he would hate to lose the Guam VWP that started in 1986 for the last minute bookings.
- Chairman Tydingco suggested making it an agenda item for the JGTC meeting in December.
- Chairman Tydingco stated to market the ESTA program and the use of it.

❖ **NEW BUSINESS:**

- Director Kloppenburg stated that Kanasugi-san represents the security and safety committee of JGTA. He stated that they have concerns with the Tsunami system.
- Director Kloppenburg stated that DGM Galito and J. Sugawara are familiar with the issue.
- Director Kloppenburg stated that a lot was learned yesterday from Civil Defense. He stated that what he learned was nobody is really coordinating the system.
- Director Kloppenburg stated that it was really upsetting that 15 warning sirens have been sitting in a warehouse for 4 years because of procurement litigation. He stated that he requested Kanasugi-san to go through what JGTA would like to happen and GVB to take a lead role and coordinate it with the different groups.

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- Kanasugi-san stated that the JGTA requested him to attend the board meeting. He thanked the board for giving him the opportunity to speak.
- Kanasugi-san stated that he has been working closely with GHRA's safety committee. He stated that he finds that Guam's safety and security to be very important.
- Kanasugi-san stated that he couldn't get any information from Civil Defense yesterday during the monthly meeting. He stated that when an earthquake occurs, there is a possibility of a tsunami.
- Kanasugi-san stated that the warning comes from PTWC based in Hawaii to Civil Defense in Guam. He stated that when an alarm is received, he is not sure how the message would be delivered to each organization.
- Kanasugi-san stated that there are a lot of concerns on the safety. He stated that the tsunami warning flow is questionable.
- Kanasugi-san stated that he is not sure how the warning would reach the islanders and tourists. He stated that Civil Defense would send a fax but it would take at least 40 minutes to reach everybody.
- Kanasugi-san stated that his concern is the people at the beach during a warning; there is no alarm system.
- Chairman Tydingco stated that when he was president of GHRA, they would call him at 3 in the morning and inform him of a tsunami warning. He stated that the system with the hotels' safety and security was a CAT channel.
- Chairman Tydingco stated that he is not sure if it still exists today. He stated that it is a problem that involves GHRA, JGTA and the committee.
- Chairman Tydingco suggested working with the Destination Management and execute on how it could happen.
- Kanasugi-san stated that they do have the CAT radio. He stated that there are a lot of things that could be done.
- Director Kloppenburg stated that one of the things that could be done is Civil Defense is getting ready to issue an RFP to install towers and three alarms. He stated that there are hotels that could take the place of the towers and bypass that step.
- Director Kloppenburg stated that because of procurement, it would take months before it starts.
- Director Kloppenburg suggested that GVB take that lead role.
- Chairman Tydingco stated that the challenge is GVB has been the solution for everybody and it can't always be that. He suggested that it be jointly headed by GHRA who has a real interest in making it happen, JGTA and GVB who has access to Civil Defense.
- Chairman Tydingco stated that Destination Management should set up the first meeting with Civil Defense with GHRA and JGTA.
- Director Kloppenburg stated that Civil Defense has the plan for the entire island. He stated that what he is suggesting is to take the first step because the towers are all around Tumon.
- Chairman Tydingco reiterated that GVB could take the lead but GHRA should take an active role.

❖ **EXECUTIVE SESSION**

- No executive session.

❖ **ANNOUNCEMENTS**

- No announcements.

❖ **ADJOURNMENT:**



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- o Motion made by Director Lai, seconded by Director Im, to adjourn the meeting. Meeting Adjourned at 5:40 p.m.

Attested:

Mr. David Tydingco, Chairman of the Board of Directors

Board Minutes prepared by Dina Rose Hernandez, Executive Secretary



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