

REGULAR BOARD MEETING
GVB MAIN CONFERENCE ROOM, 4:00PM
THURSDAY; November 12, 2010

Board of Directors Present:

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

Board of Directors Present Telephonically:

Board of Directors Absent:

Vice-Chairman Jim Beighley
Richard Lai

GVB Management and Staff Present:

Ernie Galito	Rose Cunliffe	Debi Basa Phillips
Pilar Laguana	Gina Kono	Nadine Leon Guerrero
Charlene Hitois	Doris Ada	June Sugawara
Regina Nedlic	Jeffrey Mindo	Amanda Lawson
Dee Hernandez		

Guests: Pete Leon Guerrero, Office of Vice Speaker BJ Cruz; Hope Cristobal, Guam Farmers Coop; Mark Baldyga, Baldyga Group

❖ **Proceedings:**

Meeting called to order at 4:19 p.m. by Chairman David Tydingco.

Review of the previous regular Board minutes dated October 28, 2010.

- **Motion made by Director Jackson, seconded by Director Unpingco, to approve the minutes of October 28, 2010.**

Motion approved (subject to correction).

❖ **Report from the Chairman:**

- Chairman Tydingco reported that he along with Director Kloppenburg attended the 50th Anniversary of DFS in Hong Kong. He stated that he was pleased to present a gift to them on behalf of Guam.
- Chairman Tydingco stated that DFS has been an integral part of the tourism development and he felt that it was important to represent Guam and be there for DFS.
- Chairman Tydingco stated that he met with Wally Dias. He stated that Mr. Dias has a lot of things going on in China.

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- Chairman Tydingco stated that Mr. Dias shared with him that Guam from the standpoint and the footprint of the Continental-United merger, is going to be a significant player throughout the region.
- Chairman Tydingco reported that a hearing was held last Friday in regards to Bill 485-30. He stated that the board had a previous discussion in regards to the Bill.
- Chairman Tydingco stated that at the hearing, Vice-Speaker Cruz requested that GVB Board come through with a resolution identifying specific projects that the board wants him to support. He stated that Acting GM Galito drafted a resolution.
- Chairman Tydingco requested that the draft resolution be given to all board members for review prior to making a decision. He suggested scheduling a Special Meeting on Tuesday, November 16th to discuss the resolution because the issue needs to be addressed by the legislature.
- Acting GM Galito stated that it would give him time to flush out a lot of the details. He stated that the Bureau wanted some money left from the bond to cure some of the ills going on at San Vitores Road. For example the streetlights, storm drainages, sewers, and road surfacing.
- Chairman Tydingco stated that instead of holding a Special Meeting, he would recess the board meeting and reconvene on Tuesday, November 16th at 4:00 pm.
- Chairman Tydingco congratulated the new administration. He stated the need to develop a transition report.
- Chairman Tydingco stated that he has been in contact with Dan Tydingco, co-chair of the transition team. He stated the need for a smooth transition into the new administration.
- Chairman Tydingco suggested scheduling a meeting with the transition team to go over what is important to the Bureau's mission, the 5-year strategic plan and things that was instituted and to make sure that it is carried on.
- Chairman Tydingco requested management to be prepared to do a briefing. He suggested discussing the issue at the next board meeting.
- Director Unpingco inquired if the Chairman of the Tourism Committee has been identified.
- Chairman Tydingco replied that the Chairwoman is Senator Tina Muna-Barnes.
- Chairman Tydingco stated that at the Public Hearing, there was a possibility of a private cultural center that is being proposed. He stated that the initial bill to the legislature provided funding for the cultural arts center.
- Chairman Tydingco stated that at the hearing there were a couple of individuals stating that they have something being planned. He stated that Mr. Baldyga is present to show what they have planned.
- Mr. Baldyga thanked the board for giving him the opportunity to give a brief presentation on their project. He stated that when he gave his testimony at the legislature, it became apparent to him that quite a few people on this island had no idea what they were doing.
- Mr. Baldyga stated that he felt that it was a good idea for the board to know particularly since he read that cultural center seems in the description to be more a conference facility.
- *Mr. Baldyga showed a bullet point presentation of the Guam Convention and Conference Center that is already well into construction next to the Outrigger Hotel and the other is the Guam Cultural Park to be located at Gun Beach.*
- Mr. Baldyga stated that they are more than happy to host Festpac.
- Mr. Baldyga stated that he visited the amphitheater in Ypao Beach. He stated that it would take about \$2,000 to \$3,000 to renovate the area to be spectacular.
- Mr. Baldyga stated that his group would like to see the bond funding go into fixing the flooding in Tumon instead of the convention center.
- Director Unpingco thanked Mr. Baldyga for a job well done in the presentation. He stated that their project is timely.

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- Chairman Tydingco stated the need to plan for Festpac and to make sure that in the planning process the focus is on the facility because Guam has already made the commitment to host it.

❖ **Acting General Manager's Report:**

- Copies of Acting General Manager Ernie Galito's report were distributed to all Board members present during the meeting.
- The cash position report was included in the Acting General Manager's Report.
- Acting GM Galito announced that P. Laguana was recently appointed as the chairwoman for the China Inbound Task Force under the NTA leadership team. He stated that P. Laguana was chosen based on her expertise and familiarity with China.
- Chairman Tydingco and all board members present congratulated Pilar.

❖ **Report of the Treasurer:**

- **Cash Position Report:**
- Cash report as of November 9, 2010.
- Total cash in banks report (as of 11/09/10) \$4,880,842.87
- Total allotment received to date: \$13,443,742.003
- *Statement of Revenues and Expenditures for FY2010 is included in the board packet.*
- Acting GM Galito reported that the Bureau received its allotment and the appropriated budget was approved and is fully funded by TAF.
- Acting GM Galito reported that he met with the OPA on November 9th in regards to the audit and is pleased to hear that the Bureau is fully funded by TAF. He stated that the audit is going smoothly.
- Acting GM Galito stated that the draft audit report should be done by January 15th.

❖ **Report of the Board Committees:**

A. **The Strategic Advisory Council:**

- Nothing to report.

B. **Administration/Government Relations:**

- Nothing to report.

C. **Executive Committee:**

- Nothing to report.

D. **Japan Marketing:**

- Motion made by Director Yoshino, seconded by Director Unpingco, to approve travel for GVB General Manager Mr. Gerald S.A. Perez and Ms. Nadine Leon Guerrero, GVB Japan Marketing Officer II to travel to Tokyo, Japan to conduct and execute MICE market meetings with the Japan Guam Tourism Sub-Committee along with GVB Japan Manager in Tokyo from November 21-23, 2010. (Travel cost

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approximately \$4,626.50; Account: SMD008),
Motion approved.

Per Diem:

(Lodging & MIE) 478 X 3 days +25%	= \$1,792.50
(Lodging & MIE) 478 X 3 days	= \$1,434.00

Air Fare:

Guam/Narita/Guam \$700.00 X 2 pax	= \$1,400.00
TOTAL:	= \$4,626.50

Background: Meetings have been scheduled in the Tokyo area in order to draw MICE (Meetings, Incentive, Conventions and Exhibition) market business from Japan and further align Guam for MICE market travelers in FY2011. GVB Japan is now being tasked to aggressively attract this potentially lucrative market segment and would like to present benefits and opportunities for the MICE market on Guam to the Japan Guam Tourism Sub-Committee.

Issue: Board approved travel required.

E. Korea Marketing:

- Director Jackson reported that the numbers are really good as Acting GM Galito pointed out in his report.
- Director Jackson announced that a meeting is scheduled for November 22nd, Monday.
- Director Jackson reported that he will be in Korea this coming Monday for a KGTC luncheon.
- Director Yoshino stated that he heard a rumor that Hawaiian Airlines would have a direct flight between Hawaii and Korea by February 2011.
- Director Jackson stated that he heard the same rumor. He stated that it was mentioned last year that Hawaii is a big threat to Guam but at the same time Guam has grown dramatically.
- Director Im stated that he would look into the rumor and will inform the board of his findings.
- Director Unpingco stated that the focus on Guam should be the activities that visitors could participate.
- Chairman Tydingco stated that Mr. Baldyga's proposal is one of the issues.

F. Existing Markets:

- Motion made by Director Yoshino, seconded by Director Jackson, to approve travel for two (2) GVB staffs to attend the Micronesian Chief Executive Summit (MCES) to be held in Micronesia for December 2010 (Date to be confirmed by mid-November, Estimated amount \$4,260.00 from the FY2011 Pacific Micronesia Chapter meeting Acct#SMD024).
Motion approved.

Airfare (Estimated)	\$850 x 2 pax	\$1,700.00
Perdiem	\$255 x 2 pax x 4 days	\$2,040.00
Transportation (Car Rental Est.)	\$80 x 4 days	\$320.00
Misc Expenses (Excess baggage, fuel, etc)		\$200.00
TOTAL:		\$4,260.00

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Discussion:

- Chairman Tydingco stated that he spoke to Governor Camacho the other day regarding the summit and the date has not been finalized yet. He stated that it would be the last summit for the current administration.

Background: The Micronesian Chief Executives Summit (MCES) is held every six months and comprised of all the Executive leaders of Guam, Saipan, FSM, Republic of Palau, and the Republic of the Marshall Islands. The Regional Tourism Council of MCES, which PATA Micronesia Chapter represents, is the council, which updates and discusses with the executive leaders on initiatives and programs brought up within the Micronesia region. This year, the PATA Micronesia Chapter will be making a presentation to the MCES to gain their support and share with them the updates since the last MCES in Saipan in the formation of the Micronesian Cruise Association.

Issue: Board approval required for travel.

G. New Market Development:

- Chairman Tydingco reported that Guam is continuing to push forward with what is going on in respect to the Visa Waiver Program.
- Chairman Tydingco stated that the Interim Rules is supposed to be finalized this month and is pushed back.
- Chairman Tydingco stated that CW Bordallo is working at it. He stated the need to keep on top of it.
- Director Kloppenburg stated that when Guam was trying to get the Visa Waiver Program about 20 years ago, Bob Russo reminded him that Saipan went through the same processes and it took a long time to get the Japan Visa Waiver.
- Director Kloppenburg stated that Guam is on the right track. He stated that Parole Authority will come if the pressure is put on.
- Director Kloppenburg stated that things are being done right on Guam and in Washington DC. He stated that it would happen sooner than later.
- Chairman Tydingco stated that Bob Brusso used to run DFS for a long time and retired. He stated that he met him at the DFS celebration in Hong Kong.

H. Destination Management:

- Director Im stated that at the last board meeting, the tsunami system was discussed. He stated that he is still researching on how the Asian people react to the system and will be reporting back at the next board meeting.
- Director Kloppenburg stated that he had a meeting on the warning system. He stated that it would behoove the Bureau to take a lead on it because if they don't, it won't get done.
- Director Kloppenburg stated that at a minimum, the need to install the sirens. He stated that the request is for Director Yoshino to allow them to use Nikko and Sheraton as a tower.
- Director Kloppenburg stated that one would be built near JFK. He stated that they are going through the procurement process.
- Director Kloppenburg stated that the problem is the procurement was litigated and the sirens have been sitting at the warehouse for four years. He stated to go through the procurement process of GovGuam again for building the towers would take another six months to a year before progress is made.

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- Director Kloppenburg stated that from talking to different people, it is like they would get to it when they get to it. He stated that at a minimum, to get the sirens in place so that people are notified.
- Director Kloppenburg stated that all the components are there but there is no way for notification. He requested the Bureau to stay active.
- Director Kloppenburg stated that it was agreed at the last board meeting to develop a workshop and to hold a tabletop exercise. He inquired if any progress has been made.
- Acting GM Galito replied that there is no schedule yet. He stated that Leo from Homeland Security would be getting back to him.
- Director Im stated the need to prepare for a major disaster. He stated that he would get together with Director Kloppenburg next week.
- Director Kloppenburg stated that Civil Defense is the lead but the need for the Bureau to stay on top of it.
- Chairman Tydingco inquired on the status of the Tumon Bay project.
- Acting GM Galito replied that the contract is still with the AG's office. He stated that he has sent a written request to give a timeline on when it will be ready for the Governor's signature.
- Chairman Tydingco inquired what happened to the authority to allow the Bureau's attorney to be able to review contracts.
- Acting GM Galito replied that the contract is not a GVB instrument. He stated that it is funded through TAF but is DPW's contract.
- Director Kloppenburg inquired if the problem is BBMR.
- Acting GM Galito stated that it went to BBMR and now is with the AG's office.
- Director Kloppenburg stated that he thought the contract has been signed.
- Director Arriola inquired if the AG's has replied on when they would get to the contract.
- Acting GM Galito replied that they have not responded.
- Director Kloppenburg stated that the ribbon cutting ceremony was in 2007.
- Director Unpingco suggested that in a situation like this the Speaker and Chairman of Tourism should intervene.
- Chairman Tydingco suggested that Director Unpingco intervene on behalf of the Bureau.
- Director Arriola inquired who is the chairperson for DPW.
- Chairman Tydingco replied Senator Tom Ada. He stated that the person that could help is the Chairman on Judiciary because the lockup is at the AG's office.
- Director Arriola suggested that everybody contract somebody so that it could be done.

I. Membership Development:

- Director Kloppenburg announced that the membership election is scheduled for January 4th. He stated that if you haven't paid your dues by now, you couldn't vote.
- Director Kloppenburg stated that Doris Ada would be sending out the information to memberships on exactly what they have to do.
- Chairman Tydingco inquired if there is a schedule for the Mayors' event with the board.
- Acting GM Galito replied December 3rd. He stated subsequently will be the JGTC's welcome party and the membership Christmas party.
- Director Kloppenburg inquired if it is the same day as the Emperor's Birthday because he just got an invitation.
- Chairman Tydingco stated the need to check if it is.

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- Chairman Tydingco requested at Tuesday's meeting to give an update on the schedule for the Christmas Illumination and other events going on.

J. Research:

- Nothing to report.

K. Cultural Heritage & Community Outreach:

- Director Arriola stated that the committee hasn't had a meeting. She stated that a meeting is scheduled before Thanksgiving.
- Director Yoshino stated that he heard that GIFT has been cancelled.
- Director Arriola stated that it would not stop.
- Chairman Tydingco inquired if there is an issue.
- Nadine Leon Guerrero replied that the staffs are not present but from what she heard there were no applications received.
- Director Arriola stated that it is something that could be worked out with the Mayors.
- Director Arriola stated that the committee is not withdrawing the whole program.
- Chairman Tydingco stated that what they are looking for is the calendar for GIFT.
- Director Arriola stated that they would figure it out at the next CHaCO meeting. She stated that it has been proven that GIFT is successful.
- Director Tayama stated that the deadline was October 30th.
- Director Arriola stated that it could still be worked out with the Mayors.

L. Sports & Events:

- Director Chu stated that two weeks ago he was in Beijing, China attending a meeting in regards to the East Asian Games. He stated that at the meeting everybody wanted the next meeting to be held on Guam.
- Director Chu stated that the meetings include the Presidents and Vice Presidents of the nine countries involved in the Olympics. He stated that the next games would be hosted by Beijing.
- Director Chu stated that roughly about 60 to 70 people would be arriving.
- Chairman Tydingco inquired if they need an official invitation.
- Director Chu replied that Guam could send a welcome letter. He stated that the meeting would be for three days.
- Chairman Tydingco inquired if a date has been scheduled.
- Director Chu replied that he wants them to come between October and first part of December. He stated that he doesn't want them to come during the busy season.

❖ **OLD BUSINESS:**

- No old business.

❖ **NEW BUSINESS:**

- Director Unpingco stated that Guam would be on an upswing in the next five to ten years. He stated that to the best of his knowledge, there is no master plan.
- Chairman Tydingco stated that the Guam Visitors Bureau Board of Directors has formally adopted the 5-year strategic plan.

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- Director Unpingco inquired on the land uses, for example on Marble Cave, there was a plan to build a hotel.
- Chairman Tydingco stated the need to revisit the 5-year plan for updates.
- Director Kloppenburg stated that it expires next year so it is a good time to bring it back up.
- Director Chu stated that a few years ago during the Marcos Regime, he attended a rotary club meeting in the Philippines. He stated that the entertainment was about the whole Philippine culture and history from their outfits, singing, and dancing.
- Director Chu stated that he was really impressed. He stated that he asked himself, how many tourists come to Guam and learns the history and culture.
- Director Chu suggested that Guam do the same as the Philippines.
- Chairman Tydingco stated that Mr. Baldyga's proposal had two components and Bill 485 addresses the Guam Museum and Cultural Center. He stated that those are two infrastructures that are important for long-term tourism development.
- Chairman Tydingco stated that is why it is important to meet on Tuesday to push the initiative.

❖ **EXECUTIVE SESSION**

- No executive session.

❖ **ANNOUNCEMENTS**

- Director Unpingco announced that the Tumon Bay Rotary Club is initiating plans to upgrade more of the structures at Ypao Park. He stated that they have already spent about \$55,000 for upgrades.
- Chairman Tydingco recessed the meeting at 5:10 pm and will reconvene on Tuesday, November 16th.
- Chairman Tydingco reconvened the meeting on Tuesday, November 16th at 4:40 p.m.
- Present at the meeting were Chairman Tydingco, Directors Flores, Im, Yoshino, Arriola, Unpingco, Chu and Kloppenburg.
- Staffs present were GM Perez, DGM Galito, D. Hernandez, N. Leon Guerrero, and D. Phillips.
- Guests present were Peter J. Leon Guerrero, Office of Vice Speaker BJ Cruz; Tony Reyes, a private citizen; and Mark Baldyga, Baldyga Group.
- The board members present had a lengthy discussion on GVB Resolution No. 2010-002, Relative to Bill Number 485-30, "An Act to Repeal and Reenact Section 1514 of Title 5, Guam Code Annotated.
- GM Perez summarized the discussion as follows:
 1. To include in the preamble that the recommended debt service be no more than \$6.5 million.
 2. To take out Guam Farmers Coop as specified and include it in the Cultural Historical & Community Improvements Facilities totaling \$7,225,000.00.
 3. Getting the streetlight renovations to include not just Tumon Area but also the Hagatna Bay Improvement, which includes the corner of Oka Payless leading to Sheraton Hotel and Oka Payless leading to Onward Beach Resort.
 4. Whatever the debt service amount works out to reducing the capital pool be taken out of the Cultural Historical & Community Improvements Facilities.
 5. To include in the summary page list where applicable "Other Matching Funds."

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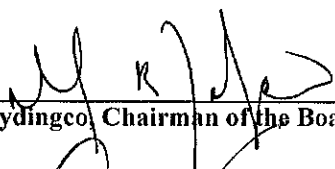


- o Motion made by Director Unpingco, seconded by Director Arriola, to approve GVB Resolution No. 2010-002, subject to the amendments and changes that were summarized by the General Manager. Motion approved by acclamation.

❖ **ADJOURNMENT:**

- o Motion made by Director Unpingco, seconded by Director Kloppenberg, to adjourn the meeting. Meeting Adjourned at 5:25 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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