

REGULAR BOARD MEETING
GVB MAIN CONFERENCE ROOM, 4:00PM
THURSDAY; December 9, 2010

Board of Directors Present:

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

Board of Directors Present Telephonically:

Board of Directors Absent:

Vice-Chairman Jim Beighley	Theresa Arriola
Jack Yoshino	Gordon Chu

GVB Management and Staff Present:

Gerry Perez	Ernie Galito	Rose Cunliffe
Debi Basa Phillips	Pilar Laguana	Gina Kono
Nadine Leon Guerrero	Doris Ada	June Sugawara
Amy Pangelinan	Felix Reyes	Jeffry Mindo
Amanda Lawson		

Guests: Jon Blas, Office of Vice Speaker BJ Cruz; Shaun Bevan, Pacific Daily News

❖ **Proceedings:**

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

Review of the previous regular Board minutes dated November 12, 2010.

- o **Motion made by Director Kloppenburg, seconded by Director Lai, to approve the minutes of November 12, 2010.**

Motion approved (subject to correction).

❖ **Report from the Chairman:**

- Chairman Tydingco thanked staff and management for a job well done bringing together the GVB members, PATA, JGTC and the Mayors during the membership party.
- Chairman Tydingco stated that a few years ago it was held annually and is hoping that it becomes an institutional event.
- GM Perez stated that D. Ada recommended that it be an annual event combined with PATA, JGTC and Mayors.
- Chairman Tydingco stated that an item that was always on the agenda including CW Bordallo's agenda is moving forward with the issue with Homeland Security and the Visa Waiver Program for China and Russia.

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- Chairman Tydingco stated that there were some commitments made by Asst. Secretary Tony Babauta to manage the process along with Homeland Security. He stated that it was very important to know that Chairman Rahall was instrumental in getting the carve out for CNMI and is important for Guam to reach out to the Congresswoman because the need for her to visit Congressman Rahall before the Congress adjourns and they no longer have their positions.
- Chairman Tydingco stated the need for the tourism and business industries to write to CW Bordallo and impress upon her the need for the issue to come to some resolution.
- Chairman Tydingco stated that the Final Ruling was extended so there is room to get it and the need for CW Bordallo to take the lead.
- Director Kloppenburg stated that there is only two weeks before Congress goes into recess. He stated that Congressman Rahall would no longer be the chair of the committee.
- Director Kloppenburg stated the need to be aggressive because once there is a new administration in Congress; the issue might have to start all over again.
- Chairman Tydingco stated that there will be new faces in Congress and it will be a challenge to re-educate them.
- Chairman Tydingco stated that GM Perez and staff have been working with the Transition Team. He stated that the initial reaction of the team is that they have been satisfied with the professionalism and the direction the Bureau is heading.
- Chairman Tydingco stated that eight years ago the board decided to do four things:
 - 1) To bring back accountability of the Board of Directors. He thanked all board members for serving on the Board without compensation and doing the business of the Bureau.
 - 2) Fiscal Responsibility: Chairman Tydingco stated that he remembers when the Bureau couldn't get an audit completed and is \$4 million in the hole and had to come up with a payment plan. Today, the Bureau is in sound condition.
 - 3) To deliver a Strategic Plan: the plan has been developed and is an outstanding roadmap for where the industry needs to go.
 - 4) Ownership of the industry not just by the owners that are in Tumon but also by the people. The Mayors participation, the village ambassadors, branding and the committee outreach program is a reflection of that success.
- Chairman Tydingco thanked the leadership, staff and management. He stated that it has been an outstanding ride.
- GM Perez stated that the staff and management couldn't have done what was done without the support of the board and the direction of the board. He thanked the board for all their support.

❖ **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.

❖ **Report of the Treasurer:**

- **Cash Position Report:**
- Cash report as of December 7, 2010.



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- Total cash in banks report (as of 12/07/10) \$4,408,422.97
- Total allotment received to date: \$13,897,625.00
- GM Perez reported that the audit would be done in January, two months ahead of schedule.
- GM Perez announced that the 2010 Annual Report is being printed and would be distributed during the Membership Meeting in January.

❖ **Report of the Board Committees:**

A. **The Strategic Advisory Council:**

- Nothing to report.

B. **Administration/Government Relations:**

- **Motion made by Director Unpingco, seconded by Director Lai, to approve funding and implementation of the Hay Study Salary Schedule for all GVB employees to include the unclassified employees per Public Law 30-196.**

Motion approved unanimously

Discussion:

- GM Perez stated that the Bureau does not depend on the General Fund. He stated that the impact for the whole year is estimated at \$126,000.00, which could be covered by Administrative lapses and from consumption tax refunds.
- GM Perez stated that the Bureau has the ability to pay for the increase and still have money left over for other programs.
- GM Perez stated that during the audit process, the OPA inquired if the Bureau had implemented the Hay Study and he replied no. The OPA questioned why it wasn't done yet.
- GM Perez felt that it was time to bring it to the board for approval.
- Chairman Tydingco stated that most of the autonomous agencies have already implemented the Hay Study for their employees. He stated that there is a law that was passed and the need to execute it.

Background: The Governor has approved the Compensation Study Implementation Policies and Procedures for all line agencies and departments pursuant to P.L. 30-196 effective FY2011. Implementation of these pay adjustments has also gone into effect among other autonomous agencies such as the OPA and GWA among others. Estimated budget impact \$126,000, which can be funded from administrative budget and consumption tax refunds.

Issue: Board approval required to fund pay adjustments from Administrative lapsed and (or) consumption tax refunds.

- Chairman Tydingco stated that a Public Hearing is scheduled on December 13th on Bill 489, proposing tapping the Tourist Attraction Fund \$20 million to acquire a property in Tumon with the balance for the Museum.



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- Chairman Tydingco suggested Director Unpingco get the opinion of the board members on the issue as well as GHRA. He stated the need to provide testimony on the bill.
- Director Kloppenburg stated that the Bureau has submitted a resolution supporting certain items and part of that was \$20 million for infrastructure and improvements in Tumon. He stated that he strongly suggest that the board oppose the purchase of the private land and continue on what is agreed to do.
- GM Perez stated that there is a dire need to fix the centerpiece of the industry, which brings \$1.2 billion a year to the community.
- GM Perez stated that there is an upstream of arrivals and the need to sustain it. He stated that nothing could be worse than having a set back because of some major issue.
- Chairman Tydingco stated that Director Kloppenburg has brought up an important point with the board already taking a position on Bill 485, identifying the purposes. He stated the need to be consistent and reiterate the board's support on Bill 485.
- Chairman Tydingco stated the need for GHRA to give the right message.
- Director Unpingco inquired which private land they are acquiring.
- Chairman Tydingco replied Faifai but is not sure which one.
- Chairman Tydingco requested Director Unpingco to testify on behalf of the board.

C. Executive Committee:

- **Motion made by Director Flores, seconded by Director Kloppenburg, to ratify approval up to \$5,500 from membership account for the GVB Membership Appreciation Party held on December 3, 2010.**

Motion amended by Director Kloppenburg, seconded by Director Lai, increasing amount to \$7,000.00. Amended motion approved unanimously

Discussion:

- Director Kloppenburg requested the amount to be increased to \$7,000. He stated that in addition to the members, JGTC, PATA and the Mayors were also hosted.
- Director Kloppenburg stated that the cost went up a little bit. He stated that about 160 people attended the party.
- Director Kloppenburg stated that a lot of new members where in attendance.
- Chairman Tydingco stated that it was a great casual setting for people to come together and be engaged.

Background: In lieu of a quarterly membership meeting, GVB will host a Membership Appreciation party as an expression of thanks to members for their support of GVB.

Issue: Time sensitive and board approval required.

D. Japan Marketing:

- **Motion made by Director Jackson, seconded by Director Unpingco, to approve travel for Governor-Elect Calvo, Senator Tina Muna-Barnes, GVB Board Chairperson, GVB General Manager, & GVB Japan Marketing Officer II to travel to Tokyo, Japan from January 16 – 18, 2011 to attend the 35th Guam Visitors Bureau Japan Office Anniversary reception. (Estimated cost \$13,076.80; account#**



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SMD008).

Motion approved unanimously

Background: The Guam Visitors Bureau would like to send a VIP delegation to Tokyo, Japan during the month of January to recognize the GVB Japan office for 35 years of service. The GVB plans to host a luncheon reception in which travel agents as well as Japan Government officials will be invited to properly thank the staff for their continued support and service. Additional meetings will be scheduled with industry stakeholders to introduce the new Governor and Chairwoman of the Committee on Tourism, Cultural Affairs, Youth and Public Broadcasting.

Cost estimate is as follows:

Airfare (Guam-Narita-Guam) \$800 x 5 passenger	\$4,000.00
Governor-Elect: Lodging & MI&E \$496.00 x 3 days + 30% =	\$1,934.40
Senator: Lodging & MI&E \$496.00 x 3 days + 30% =	\$1,934.40
GVB CHAIR: Lodging & MI&E \$496.00 x 3 days + 25% =	\$1,860.00
GVB GM: Lodging & MI&E \$496.00 x 3 days + 25% =	\$1,860.00
MOH: Lodging & MI&E \$496.00 x 3 days =	\$1,488.00
TOTAL	\$13,076.80

Issue: Board approval required for all travel.

E. Korea Marketing:

➤ Nothing to report.

F. Existing Markets:

- o Motion made by Director Kloppenburg, seconded by Director Jackson, to approve travel for the Marketing Manager to participate in the National Tour Association (NTA) China Inbound Task Force Committee Meetings in Washington, DC, March 14-16, 2011. (Estimated cost = \$3,143.00, Account No. 100-5202-US-TTC043-0).

Motion approved unanimously

Background: Ms. Pilar Laguafña was recently selected Chairperson of the NTA China Inbound Task Force for 2011. The task forces' first meeting for 2011 is March 14-16, 2011, Washington DC. As Chairperson, it is important for Ms. Laguafña to join others from NTA and the China Inbound Task Force as they lay the groundwork to facilitate Chinese inbound to the U.S., including Guam.

Airfare @ \$2,015/pax	\$2,015 x 1 pax	\$ 2,015.00
Lodging @ \$211/day	\$211 x 4 days x 1 pax	\$ 844.00
Per Diem @ \$71/day	\$71 x 4 days x 1 pax	\$ 284.00
Estimated Total:		\$ 3,143.00

Note: The above is reimbursable from NTA after the trip.

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Issue: BOD approval needed for all travel.

- o **Motion made by Director Kloppenburg, seconded by Director Jackson, to approve travel for 3 GVB staff to participate in the 2011 L.A. Times Travel & Adventure Show, Los Angeles, California, from March 19-20, 2011. (Estimated cost = \$6,143.00, Account No. 100-5202-US-TTC043-0). Motion approved unanimously**

Background: The Los Angeles Times Travel & Adventure Show is a global travel extravaganza where thousands of consumers are inspired by the world's most exciting destinations and attractions; from family-friendly to the ultimate in luxury. Each year, GVB joins more than 20,000 travel enthusiasts and more than 1,300 travel trade professionals to share Guam's unique attraction, branding representation and reasons to use Guam as a stopping point when traveling to and from Micronesia and Asia. The show is the only event GVB attends in the mainland that targets the general consumer.

The GVB delegation will also be joining other Micronesia destinations in hosting seminars and visits to area outbound sellers and travel organizations during their LA visit.

Airfare @ \$1,801/pax	\$1,801 x 2 pax	\$ 3,602.00
Lodging @ \$123/day	\$123 x 4 days x 3 pax	\$ 1,476.00
Per Diem @ \$71/day	\$71 x 5 days x 3 pax	\$ 1,065.00
Estimated Total:		\$ 6,143.00

Issue: BOD approval needed for all travel.

- o **Motion made by Director Kloppenburg, seconded by Director Jackson, to approve travel for three GVB staff to attend the upcoming Continental Product Update and the PTAA Travel Tour Expo to be held in Manila, Philippines from February 15 – 21, 2010. (Travel cost approximately \$5,000.00; Acct. #PI-TTC041). Motion approved unanimously**

Background: GVB has been actively attending the largest annual consumer travel show held in Manila. We jointly exhibit with Continental Airlines and coordinate our booths to be adjacent to each other. Last year during the show's 3 days approximately 62,000 people visited the expo. Destinations like China, Macau, Singapore, Thailand, Malaysia, Egypt, Hawaii and Palau are exhibitors with 174 companies. Continental is very eager to participate in this show because for the last several years they have been successful in selling over 500 Guam and Micronesia packages at the show.

For the past two years, GVB was presented with two awards by the show organizers, PTAA, the first award, Most Popular Performance and a second award was given to GVB for its marketing efforts, 1st place Best Marketing Efforts (international division) citing its crowd-drawing booth - becoming an annual must-see for the expo attendees.

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Estimated Travel Cost Breakdown

Per Diem:

Staff (Lodging & -M&IE) \$237.00 X 6 days x 3 staff =	\$4,266.00
Air Fare (CO providing Comp) + Tax + Handling Fees x 3 staff =	\$ 300.00
<u>Miscellaneous expenses (i.e. Excess baggage, ground transp, etc.)</u>	<u>\$ 434.00</u>
ESTIMATED TRAVEL EXPENSES:	\$5,000.00

Issue: BOD approval needed for all travel.

- o **Motion made by Director Kloppenburg, seconded by Director Jackson, to approve \$2,500.00 to pay GVB's founding member dues of the Micronesia Cruise Association. (Account: 100-5901-US-SMD023-0).**

Motion approved unanimously

Background: The Micronesia Cruise Association (MCA) has been chartered and has amongst its founding membership the various Micronesian island government entities. GVB has taken the lead in the association's organization to drive the cruise industry as a viable target market with great potential for Guam and the region.

Issue: GVB is a founding member of the MCA and this fee is necessary to ensure its membership with the association is current.

G. New Market Development:

- o **Motion made by Director Jackson, seconded by Director Flores, to approve travel for two GVB staff members to attend the Guangzhou International Travel Fair (GITF) 2011 in Guangzhou, China from March 24 – 26, 2011. (Travel cost approximately \$6,000; Acct. #CI-TTC072).**

Motion approved unanimously

Background:

Initiated in 1993, Guangzhou International Travel Fair (GITF) has been held successfully held for the past 17 years and has been recognized as one of the most significant annual international travel fairs in the Asia Pacific Region for its extensive influence upon the tourism industry and related industries at home and abroad. The fair is organized by Hannover Fairs Shanghai Ltd, the subsidiary company of HM Global German GmbH, one of the World's leading organizers of trade fairs and exhibitions.

Guangzhou International Travel Fair 2010 (GITF) was successfully concluded in the Guangzhou Jin Han Exhibition Center. During the three days, on a display area of 15,172 square meters, the fair attracted 506 exhibiting companies from 41 countries and regions. The exhibition welcomed a total of 60,549 people from home and abroad.

Prior to GITF, GVB will be conducting an appreciation gathering for the Hong Kong travel agents and airlines for Chinese New Year sales.

Estimated Travel Cost Breakdown

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Staff Per Diem	
Hong Kong (Lodging & M&IE) \$479.00 X 2 days x 2 staff =	\$1,916.00
Guangzhou (Lodging & M&IE) \$305.00 X 3 days x 2 staff =	\$1,830.00
Air Fare (\$750.00) + Tax + Handling Fees x 2 staff =	\$1,500.00
Misc. expenses (i.e. Excess baggage, ground transp, etc.)	\$ 754.00
ESTIMATED TRAVEL EXPENSES:	\$6,000.00

Issue: Board approval for travel required.

- o Motion made by Director Jackson, seconded by Director Lai, to approve \$6,500.00 for a GVB BOD or staff to accompany the Governor to Vietnam and Cambodia to attend meetings with government officials and trade representatives from December 18 – 21, 2010 (Account: 100-5201-CI-SMD023-0). Motion opposed by Director Unpingco. Motion fails.

Discussion:

- Chairman Tydingco stated that the Governor would be on his last trade mission. He stated that CW Bordallo might be in that area as well.
- Chairman Tydingco stated that the Governor requested that GVB be part of his delegate since they would be discussing trade and tourism issues.
- GM Perez stated that it was the Governor's request for some support because he is not well versed with tourism issues. He stated that surprisingly Guam is starting to get visitors from Vietnam with about 200% increase this year.
- GM Perez stated during GMIF there were a number of travel agents who were interested in selling Guam in Vietnam.
- Director Kloppenburg is requesting who will be attending.
- GM Perez stated that the Governor would be attending the MCES meeting in Palau. He stated that DGM Galito would also be in attendance.
- GM Perez stated that if none of the board members are able to attend then he suggests DGM Galito to attend.

Background: The Governor is requesting a GVB representative to accompany him for meetings with Vietnam and Cambodia government tourism officials and trade representatives and officials immediately following MCES in Palau, to discuss regional trade initiatives and opportunities later schedule to take place next week.

Issue: BOD approval needed for all travel.

H. Destination Management:

- Director Im reported that 100 light bulbs were issued to GPA for the replacement of burnt out streetlights in Tumon.
- Director Im stated that the Tumon Koban cameras are not working. He stated that there is an increase of robberies from the Fiesta Resort area to K-Mart.



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- GM Perez stated Bill 485 has a permanent fix for the problem, which requires replacement of some of the fixtures in Tumon.
- Director Im stated the need to work more closely with GPD.
- Chairman Tydingco suggested sending a note to GPD.

I. Membership Development:

- **Motion made by Director Kloppenburg, seconded by Director Jackson, to approve up to \$2,500.00 from membership account to provide funding for GVB's Employee Recognition and Annual Appreciation Party to be held on Friday, December 10, 2010 at the Atrio Lounge, Sheraton Laguna Hotel.**
Motion approved unanimously

Background: The Guam Visitors Bureau will hold its Employee Annual Appreciation Party on Friday, December 10, 2010. This party is our main social event of the year and is a celebration of our accomplishments and team effort in promotion and improving our visitor industry.

Issue: Board approval required.

J. Research:

- Nothing to report.

K. Cultural Heritage & Community Outreach:

- Director Flores announced that a meeting is scheduled for December 1st.
- **Motion made by Director Flores, seconded by Director Jackson, to approve travel to conduct the FY2011 Guam Chamorro Dance Academy in Tokyo and Osaka, Japan. (Estimated cost of travel: \$49,070, account # CPO001).**
Motion approved unanimously

Background: GVB launched the Guam Chamorro Dance Academy (GCDA) at the JATA WTF in September 2009 with a commitment to continue for next 3 fiscal years. There were a total of 10 dance sessions with 153 participants in the 2010 GCDA program with 97% of participants surveyed responding with favorable reviews and no negative responses received. A number of GCDA students visited Guam to perform at both the 8th Annual Dinana Minagof Chamorro Dance Competition in June 2010 and Guam Micronesia Island Fair in October 2010. The 2011 GCDA will be extended to Osaka, Japan and continue in Tokyo. Guam Delegation for each 2011 GCDA will include 2 staff and 3 dance instructors.

Travel is as follows:

January 28-31, 2011, Tokyo
March 25-28, 2011, Osaka
May 27-30, 2011, Tokyo
July 29 – August 1, 2011, Osaka
September 29 – October 3, 2011, Tokyo (JATA WTF)



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Breakdown is as follows:

Tokyo:

Airfare: (5pax – estimated @ \$500 per person)	\$ 2,500.00
Per Diem: (5pax @ \$478/day x 3 days)	\$ 7,170.00
<u>Professional Fee: (3pax @ \$100/day x 2 days)</u>	<u>\$ 600.00</u>
	\$ 10,270.00

Multiplied by three trips: \$ 30,810.00

Osaka:

Airfare: (5pax – estimated @ \$500 per person)	\$ 2,500.00
Per Diem: (5pax @ \$402/day x 3 days)	\$ 6,030.00
<u>Professional Fee: (3pax @ \$100/day x 2 days)</u>	<u>\$ 600.00</u>
	\$ 9,130.00

Multiplied by two trips: \$18,260.00

Grand Total: \$49,070.00

Issue: Board approval required for all travel.

L. Sports & Events:

- Director Lai stated that on top of the four soccer teams that came to train in Leo Palace, six J League Teams are coming to Guam for training.
- Director Lai thanked all the staff and management for a job well done during the last eight years.

❖ **OLD BUSINESS:**

- Director Unpingco stated that previously, there was a discussion on the condition of Azotea. He stated that he received a call this morning about the tourists taking a picture and the background was filthy.
- Director Unpingco stated that some of the Hagatna Walking Trail are in need of attention
- Chairman Tydingco suggested Director Unpingco to contact the Legislature and officially complain on what he has received.

❖ **NEW BUSINESS:**

- No new business.

❖ **EXECUTIVE SESSION**

- No executive session.

❖ **ANNOUNCEMENTS**

- No announcement.



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❖ **ADJOURNMENT:**

- Motion made by Director Kloppenburg, seconded by Director Jackson, to adjourn the meeting. Meeting Adjourned at 5:00 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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