



REGULAR BOARD MEETING
GVB MAIN CONFERENCE ROOM, 4:00PM
THURSDAY; March 22, 2012

Board of Directors Present:

Vice Chairman Mark Baldyga	Hope A. Cristobal
Carissa Fortino	Bruce Kloppenburg
Theresa C. Arriola	Eduardo (Champ) Calvo
Nathan Taimanglo	Rizk Saad
Jennifer Crisostomo	

Board of Directors Present Telephonically:

Board of Directors Absent:

Chairman Monte Mesa	Carol Tayama
Judy Flores	N. Oscar Miyashita

GVB Management and Staff Present:

Debi Phillips	Rose Cunliffe	Regina Nedlic
Felix Reyes	Mark Manglona	Dee Hernandez
Haven Torres	Josie Moyer	Tony Muna
Nadine Leon Guerrero	Kraig Camacho	Laurette Perez
June Sugawara	Sonja Lujan-Sellers	Janel Perez

Guests: Regine Biscoe Lee, Office of Senator Muña Barnes

❖ **Proceedings:**

Meeting called to order at 4:05 p.m. by Vice Chairman Baldyga.

Review of the previous Regular Board minutes dated March 8, 2012.

- o **Motion made by Vice Chairman Baldyga, seconded by Director Fortino, to approve the minutes of March 8, 2012.**

Motion approved (subject to correction).

❖ **Vice Chairman's Report:**

- Nothing to report.

❖ **Acting General Manager's Report**

- Acting GM Phillips reported visitor arrival numbers for FY2012 was up 5.5% compared to last year and MTD2012 from March 1-17, 2012 was up 15.8%.
- N. Leon Guerrero reported on the Quarterly Membership Meeting that was held on March 19, 2012.
- N. Leon Guerrero stated that guest speaker Shinya Kurosawa, JTB Vice President presented JTB's communication plan, where they are marketing our destination's unique culture. She commented that this was great for GVB's branding.
- Acting GM Phillips reported that Ko'Ko' Kids Run took place on March 18, 2012 with about 257 participants.
- Vice Chairman Baldyga inquired if there were any participants from off-island.



GUAM

- N. Leon Guerrero replied yes and that there were 15 children from Japan who participated.
- Director Crisostomo added that Ko'Ko' Kids Run was tied in with Xterra Guam.
- Vice Chairman Baldyga inquired on the cost.
- K. Camacho replied \$8,000 that included sponsorships.
- Vice Chairman Baldyga inquired about the return and if there were any media coverage.
- N. Leon Guerrero replied that there was only local media coverage. She added that this was the third year for Ko'Ko' Kids Run and that GVB continues to work through the growing pains and challenges.
- K. Camacho stated that this event is geared more towards a family market and more of a local event. He added that last year there were 32 children from Japan, but due to the triple disaster that number was reduced by half this year.
- N. Leon Guerrero stated that as the race develops and as staff gets better with this event, it would be better promoted in the future.
- Director Crisostomo stated that this was the first year that it was branded along with Xterra.
- Vice Chairman Baldyga commented that the Kids Run also tied in with the suggestion from JTB that GVB target families more.
- Director Fortino inquired if Xterra would be branded along with the Annual Ko'Ko' Road Race.
- Director Crisostomo replied no.
- N. Leon Guerrero reported on the Rikkyo Swim Team. She added that Mr. Kiho Abe and his team from Rikkyo University have been coming to Guam for 32 years to train.
- N. Leon Guerrero stated that this year Mr. Abe brought 52 students to train and this was the first year they held a swimming camp to train local swimmers.
- *Director Crisostomo reported on slides pertaining to Xterra Guam and True Grit.*
- Director Crisostomo stated that this was the first year that Xterra became a championship race that enticed 13 professional athletes from other countries. She added that in the past only 3 professionals participated.
- Director Crisostomo stated that many of the pro-athletes brought their families with them and in turn extended their stays.
- Director Crisostomo stated by doing this as a championship event and with GVB support, the goal was to increase pro-athlete participation, get them to bring their families and to extend their stays as well as getting international exposure.
- Vice Chairman Baldyga inquired about the cost.
- Director Crisostomo replied that the event was a \$25,000 package that included Xterra Ko'Ko' Kids Run. She added that the Event Director is looking into including Xterra Trail Run for adults.
- Director Crisostomo commented that in Japan, trail running is a popular sport and that the goal is to market to Japan to attract more participants.
- Director Crisostomo reported that the average stay for the visiting athlete was 7.8 days and that the longest stay was 10 days.
- Director Crisostomo reported that Para Todu (Guam) were the 2012 Champions at the True Grit, Guam Rugby International Tournament.
- Director Crisostomo stated that there were 3 teams from Japan totaling 60 visitors that stayed for 6 nights.
- Acting GM Phillips gave an update on the Excellence In Tourism (EIT) Awards to be co-sponsored with GHRA.
 - Luncheon set for May 25, 2012 / Venue: TBD
 - (10) Awards in 2012 from (45) in 2011
 - Individual, Hotelier, Restaurateur, Allied Member of the Year
 - Hafa Adai Spirit, HERO Supervisory & Non-Supervisory
 - Most Outstanding Local Tourism Promotion, Facility, Project/Event
 - Savings Estimated at \$10,000 and may increase due to possible sponsorships

- Director Cristobal inquired if the EIT Awards were managed through GVB.
- Director Kloppenburg replied yes through Membership.

❖ **Report of the Treasurer:**

○ **Cash Position Report:**

- Cash report as of March 19, 2012.
- Total cash in banks report (as of 03/19/12) \$7,861,738.68
- Total allotment received to date: \$6,570,426.20

- Director Kloppenburg commented that on the Cash Position Report it showed that the collections are outpacing the payables.
- Director Kloppenburg expressed his concerns that there is \$3 million more in the bank compared to last year.
- Director Kloppenburg stated that he doesn't see accounts payables, and that it is less than a year before.
- Director Calvo inquired if there were any accrued payables.
- R. Cunliffe responded that there are payables that have not been submitted to Accounting.
- R. Cunliffe added there are several for February and March as well as Asatsu invoices for January, February, and March.
- Director Kloppenburg responded that those invoices somehow needed to be reflected on the report.
- N. Leon Guerrero stated that she would follow up on the pending invoices.
- Director Arriola stated that prior to receiving the invoices, Accounting should reflect that they are awaiting invoices so it off sets somehow.
- Director Kloppenburg questioned why the invoices are coming in slow.
- N. Leon Guerrero replied that there were changes in the team, specifically the Account Executive.
- Director Kloppenburg inquired if this was a Japan issue.
- N. Leon Guerrero replied yes, ADK.
- Vice Chairman Baldyga inquired about the amount of ADK's invoice.
- N. Leon Guerrero replied about \$1.4 million.
- Vice Chairman Baldyga stated to R. Cunliffe to meet with GM Camacho to discuss Director Kloppenburg's concerns and to report back to the board with any suggestions.

❖ **Report of the Board Committees:**

A. **The Strategic Advisory Council:**

- Nothing to report.

B. **Administration/Government Relations:**

- Director Cristobal stated that she formed a subcommittee to review GVB's collaterals for consistency in history and cultural information.
- Director Cristobal stated that the committee found errors on the existing materials.

Discussion on PMO Progress Meeting:

- Vice Chairman Baldyga stated that he had sent an email after the PMO Progress Meeting to Chairman Mesa, GVB Management, as well as copied Karl Pangelinan (GEDA), Ken Baki (RWA/PMO), and COS Frank Arriola where he requested for the PMO to come up with a worksheet that clarifies the priorities of the projects in process and identifies what's over budget and what's not.

- Vice Chairman Baldyga stated that it appeared to him that the PMO has been moving ahead with some lower priority projects and starting to release funds without having a clear understanding of the total cost of higher priority projects. He is concerned that it appears as though the priorities have been switched.
- Vice Chairman Baldyga stated that the flood design solution drawings were due back from DPW in December and that no one is aware as to when it would be completed.
- Director Calvo inquired who was handling the flood drawings.
- Vice Chairman Baldyga replied Willie Flores and his team.
- Vice Chairman Baldyga stated that the bottom line is that funds are being spent without knowing how much the flooding project would cost, because there are no flood drawings and no one has any real idea what the flooding solution should be or how much it will cost.
- Vice Chairman Baldyga expressed his concern that he feared to wake up 6 months from now only to find that half of the funds have been committed and that there remains insufficient funds for projects that were intended to be high priorities, such as flooding.
- Vice Chairman Baldyga added that he has asked for the PMO to prepare a clean grid and to present at the next board meeting. He stated that he would also request for GM Camacho to see if she could drive DPW on what is needed.
- Vice Chairman Baldyga stated that the PMO is directing and hitting a stonewall with DPW, and the PMO suggested that if they don't receive anything in the next few days they would set up a meeting with COS Frank Arriola and request for DPW to attend.
- Director Calvo inquired if the PMO issues monthly reports.
- Vice Chairman Baldyga replied that only minutes of the meetings are provided and stated that some of the concerns that he has expressed before in past meetings have not been reflected on the PMO minutes and that he had specifically asked moving forward for his concerns to be included in the minutes.
- Director Calvo inquired if the PMO has a monthly report on expenditures and activities.
- Vice Chairman Baldyga replied that he has not seen one so far and has requested that one be prepared.
- Director Cristobal responded that the PMO's contract is with GEDA and for GVB to request a report would be out of the contract and that GVB should request directly through GEDA.
- Director Calvo questioned what kind of expenditures have been made and if they were soft cost or for studies. He inquired if the money was being spent on architects or engineers.
- Vice Chairman Baldyga stated that the PMO is preparing bid awards and that now is the last opportunity to jump on confirming the priorities and lock-box the funds before the projects start actively proceeding.
- Vice Chairman Baldyga stated that K. Baki would be at the next board meeting and in the meantime GVB should make sure COS Arriola supports the notion that the sewage flooding issue is a priority that requires DPW's response.
- Vice Chairman Baldyga commented that GVB and GEDA is ultimately the client and that if DPW doesn't provide what is needed then the PMO should have the authority to hire a third party engineer to complete the drawings, if DPW is unable to produce.
- Director Kloppenburg wanted to know reverting back to the question when phase one was done and GVB was looking into suing DPW and at the time GVB didn't have standing. He inquired if there was standing now.
- Director Calvo replied that there were concerns with liability and misappropriation and that Legal Counsel stated that GVB didn't have liability.
- Vice Chairman Baldyga added that DPW needed to be pushed along the way.
- Director Cristobal believes that the PMO is trying to figure out which projects are easier to accomplish quicker.
- Vice Chairman Baldyga agreed that the PMO wants to make progress but it is doing so at the risk of changing the priorities.

C. **Executive Committee:**

- Nothing to report.

D. **Japan Marketing:**

- Nothing to report.

E. **Korea Marketing:**

- Nothing to report.

F. **Existing Markets:**

- Director Fortino stated that her committee met last week and had no current reports.
- Vice Chairman Baldyga asked Director Fortino if she was briefed on her committee.
- Director Fortino replied yes and that her next committee meeting is scheduled for April 4th.

- **Motion made by Director Fortino, seconded by Director Kloppenburg, to amend previously board approved travel for the GVB Marketing Manager and GVB Marketing staff to attend the PATA Tri-Annual meeting taking place in Pohnpei, FSM from March 28-31, 2012, to reflect the GVB Public Information Officer attending the chapter meeting in place of the Marketing Manager. (Travel cost approximately \$2,027.00; FY2012 Pacific PATA Chapter Meetings Acct. #PA-SMD024). Motion approved.**

Airfare	\$370 x 2 pax	\$740.00
Per Diem – Lodging/MIE	\$177/day x 3 days = x 2 pax	\$1,062.00
Misc Expenses, Fees, Transportation	\$75 x 3 days	\$225.00
	TOTAL	\$2,027.00

Background: Motion was approved by the GVB Board on February 23rd for the Marketing Manager to attend the PATA Tri-Annual meeting however due to an existing promotion, she is unable to attend.

Therefore it was determined by senior management that the Public Information Officer would attend the PATA Micronesia Chapter meeting. While there the PIO will be there for staff development as well as to discuss the Guam Micronesia Island Fair and other upcoming Guam events.

Issue: Board approval required for travel.

- **Motion made by Director Fortino, seconded by Director Taimanglo, to approve travel for the GVB Deputy General Manager to attend the 44th U.S. Travel Association International Pow Wow in Los Angeles, California, during April 21 - April 25, 2012. (Travel cost approximately \$3,338.75; Acct. #US-TTC044). Motion approved.**

Airfare	\$2,025 x 1 pax	\$2,025.00
Per Diem – Lodging	\$156.25/day x 5 days x 1 pax	\$781.25
Per Diem – M&IE	\$88.75/day x 6 days x 1 pax	\$532.50
	TOTAL	\$3,338.75

Background: As the largest generator of travel to the USA with more than \$3.8 billion in future travel booked each year, the U.S. Travel Association's Int'l Pow Wow is incredibly important to the economic well-being of its participating 1,200 U.S. travel organizations, including Guam. Approximately 5,500 delegates, including international and domestic buyers from 70 countries and across the U.S. will once again attend this 43rd Anniversary International Pow Wow. Between 350 – 400 travel journalists from around the globe will be attending as well. This event allows GVB management and marketing staff to follow-up with those met in prior Pow Wows and to meet one-on-one with dozens of influential travel professionals to reinforce Guam travel. During last year's event, GVB marketing staff met with more than 100 travel journalists, and travel agents to discuss Guam and regional travel from their respective destinations. In fact, GVB marketing was interviewed by TravMedia.com and featured online on their travel network. The show provides unprecedented opportunities to expose Guam to the North American market as well as internationally in a single venue.

Having the Deputy General Manager will enhance the GVB presence with a senior management attending as GVB pursues collaborative appointments with key trade organizations and decision makers, especially from China, Russia, and the rest of Asia, GVB's core source markets.

GVB's participation in this trade only event strongly supports the FY2012 North America Marketing Plan.

Issue: Board approval required for travel.

- o **Motion made by Director Fortino, seconded by Director Arriola, to approve travel for two (2) GVB Marketing staff to attend the Scuba Show 2012 to be held May 4 - 6, 2012 in Long Beach, California and the Guam/Micronesia Product Update Seminars/Roadshow in Long Beach, California, during May 7-8, 2012. (Travel cost approximately \$7,778.00; Acct. #US-TTC066).**

Motion approved.

Discussion:

- Vice Chairman Baldyga stated that by reading the background of this motion it seemed to him that this was a lot of money for a far away market and wanted feedback from the board members on their comments and thoughts.
- Director Kloppenburg commented that he has never attended this type of show.
- F. Reyes stated that the focus for the North American Market has changed and that there are about 144,000 Chamorros residing in the mainland and that the roadshow is an outreach.

- F. Reyes stated that in the past, GVB attended the Diving Equipment and Marketing Association (DEMA) show and that GVB's marketing has changed because divers come from all over the world.
- F. Reyes stated that GVB's focus is to lure the divers to layover in Guam to dive, snorkel, and shop for equipment and gear. He added that the way to get to Micronesia is to go through Guam.
- Vice Chairman Baldyga inquired if staff was tracking the return.
- Director Fortino stated that it was hard to tell since divers transient through.
- Vice Chairman Baldyga suggested finding a way to track results of the show such as and offering divers a bounce back coupon or something that they could redeem in Guam.
- Director Fortino responded that she just came on board and would like a chance to go through and do some research.
- Director Kloppenburg suggested that moving forward, GVB should track the results and collect dive information.
- Acting GM Phillips replied that Research has data of who is coming and from where.
- Director Cristobal inquired how the second part of the trip is being tracked.
- F. Reyes replied that it is inclusive and that staff would set up appointments with tour operators and others that sell Guam.
- Vice Chairman Baldyga asked if there would be any media visits while at the show.
- F. Reyes replied yes.
- Director Fortino wanted to make note that California has the largest concentration of divers in the country and that PADI is based in California.
- Vice Chairman Baldyga commented that the 20 millionth diver of PADI happened on Guam and thought it would be a good idea to get LA Times to write an article about that.
- Director Arriola also commented that another great media exposure is Film Director, James Cameron being on Guam.
- Vice Chairman Baldyga responded that it would be another leverage to come up with a press release that talks about him being here right now.
- F. Reyes replied that GVB has re-posted James Cameron's tweets.

Airfare	\$3,550.00
Per Diem – Lodging	\$2,000.00
Per Diem – M&IE	\$1,278.00
Excess Baggage	\$200.00
Miscellaneous/Unanticipated Expenses	\$750.00
	\$7,778.00

Background: The Scuba Show attracts more than 11,200 consumers with around 72% looking for dive destinations and looking to explore destination exhibits. GVB's presence at the 2011 Scuba Show generated significant interest with many inquiries about Guam and its underwater offerings.

At the recent LA Times Travel Show in Los Angeles and LA Travel & Adventure Show in Long Beach, many consumers who visited the GVB booth inquired about diving and diving related activities on Guam and the region. Diving and Adventure travel is a big component of the FY12 North America / Military Marketing Plan, GVB plans to participate to showcase Guam as an undiscovered dive destination, including the varied dive sites, year-round warm

weather and waters, and the myriad of above-water activities divers can participate in.

Micronesian partners from Palau, Yap, and Kosrae, along with UNITED, are joining together to create a regional dive and travel presentation.

After the Scuba Show, the GVB team plans to host a series of seminars and workshops with area active travel agents and Chamorro Organizations to provide Destination Guam and Micronesia Product Updates. Additionally, they will meet with California based Chamorro clubs and organizations to discuss GVB's social media outreach and database development to try to raise awareness about Guam and encourage Guam travel as part of the 2012 Visiting Friends and Relatives marketing strategy.

Issue: Board approval required for travel.

- o **Motion made by Director Fortino, seconded by Director Arriola, to approve travel for the General Manager and Marketing Officer II (2 pax) to attend the PATA Annual and Board Meeting in Kuala Lumpur, Malaysia from April 18-21, 2012 from the FY2012 Pacific PATA Board and Membership Account. (Travel cost estimated at \$5,612.00; Acct. #PA-SMD025).**

Motion approved.

Discussion:

- Vice Chairman Baldyga stated that he was on the PATA Board for a decade and does not recall ever attending a board meeting where an NTO sent two staff instead of one.
- Vice Chairman Baldyga commented that maybe it has been changed and perhaps there are concurrent committee meetings and wanted to know what are the committees that occur at PATA.
- R. Nedlic responded that last year for PATA's 60th Anniversary, P. Laguana was able to attend and this year management made the decision to send two, especially GM Camacho being a new nominee to the board and requested to have one marketing staff with her.
- R. Nedlic stated that as far as she was aware the second person is able to attend the committee meetings with GM Camacho.
- Vice Chairman Baldyga inquired who would be accompanying GM Camacho.
- R. Nedlic replied Gina Kono, Marketing Officer II.
- Vice Chairman Baldyga stated that PATA Board and PATA Micronesia are two complete separate organizations and one knows nothing about the other for the most part.
- Vice Chairman Baldyga inquired if G. Kono has ever been to a PATA meeting and if she knew the international board members.
- R. Nedlic responded that G. Kono has been traveling with P. Laguana in the past for PATA Travel Mart and to annual meetings.
- Vice Chairman Baldyga responded that the PATA Board meetings and its members quite often have little to do with the other PATA events such as PATA Micronesia and PATA Travel Mart and that unless G. Kono has been to PATA Board meetings it seems that the purpose of going to introduce GM Camacho doesn't make sense and that he wasn't convinced that a second person should attend at increased cost.
- Vice Chairman Baldyga stated that he would leave it up to management's discretion but asked that they consider his experience and views and the best use of the Bureau's limited funds.
- R. Nedlic stated that it was management's request to send along one marketing staff.

Airfare	\$1,200 x 2 pax	\$2,400.00
Per Diem – Lodging/MIE	\$239 x 4 days x 2 pax	\$1,912.00
Registration	\$400 x 2 pax	\$800.00
Unanticipated Expenses	\$500.00	\$500.00
TOTAL:		\$5,612.00

Background: The General Manager Joann Camacho will be traveling to Kuala Lumpur Malaysia to attend and accept the nomination as a Board member with the PATA International. It was recommended to have the Marketing Officer II attend the meeting with management to assist in promoting our commitment to the region as well as to show our support to our chapter (PATA Micronesia Chapter). During their attendance to the PATA Events, the GM will represent the bureau at the PATA Board meetings and Marketing will network and assist at committee level meetings where needed. Because this will be management's first attendance at the PATA International level, it is essential for the presence of GVB management and marketing at the annual meeting.

Issue: Board approval required for travel.

G. New Market Development:

- Director Kloppenburg stated that he just got off the phone with the Guam Delegation (DGM Denight, Senator Tina Muña Barnes, P. Laguana, G. Kono) in Russia.
- Director Kloppenburg stated that they would be at the opening seminar and that the US Ambassador of Russia would be attending. He added that Guam would be doing a PowerPoint presentation and that P. Laguana would be presenting along with the CNMI.
- Director Kloppenburg stated that they have a captive audience and are very excited.
- Director Kloppenburg announced that GVB launched the Russian social media website two days ago and could be accessed through GVB website.
- Director Kloppenburg stated that the US Commerce Department has been working closely and have a lot of meetings scheduled. He commented that they have been fantastically helpful.
- Director Kloppenburg reported that US visits from Russians are up 21% year to date and about 220,000 to the US to date. He commented that there is a lot of interest and that no one knew about the Visa Parole Authority.
- Director Kloppenburg stated that there is meeting with Korean Air and Asiana in where they would be having discussions about a combo CNMI-Guam trip.
- Director Kloppenburg added that they would be speaking with a Low Cost Carrier (LCC) and would need help with the airline company, TransAero that operates out of eastern Russia. He added that they open a new city every year and have started dialogue.
- Director Kloppenburg requested for GIAA to do a profile on TransAero to find out all about this company and whether it is worth pursuing.
- Director Kloppenburg stated that one thing learned is that the two cities, Vladivostok and Khabarovsk are not TSA certified and would need to begin that process in order to get direct flights.
- Director Kloppenburg announced that the Guam Delegation would be calling in to Ray Gibson at 6:40 a.m. and invited everyone to listen in.
- Director Kloppenburg stated that Hilton pulled out at the last minute. He stated that United is there and would be meeting people in the eastern city.
- Director Kloppenburg commented that there was a lot of interest in Russia.

- Director Kloppenburg stated that with regards to China, he listened to Speaker Won Pat's weekly address that Secretary Janet Napolitano decided not to exercise Parole Authority for China.
 - Director Kloppenburg stated that we were all aware of that this time because that decision was made when they gave Russia.
 - Director Kloppenburg stated that there is progress being made in Washington, DC and that there is an important meeting tomorrow with DoD and that there are two representatives on our side, one from Congresswoman Bordallo's office and the other from the private sector. He added that they would be presenting all data and would need to support their decision on the timelines.
 - Director Kloppenburg stated that DoD has already agreed that they are not opposed, but are working on how much advance notice they would require. He stated that the information has been gathered and would be presented at tomorrow's meeting.
 - Director Kloppenburg stated that DoD wanted two weeks and we are asking for three days. He stated that it be would be discussed to find an agreement somewhere in the middle for about 5-7 days.
 - Director Kloppenburg stated that he expects within two weeks a letter from DoD to Department of Homeland Security and then another two months with Homeland Security. He added that if all goes well by mid-summer we should expect a decision for Parole Authority.
- **Motion made by Director Kloppenburg, seconded by Director Calvo, to approve travel for one (1) GVB staff to attend the NTA Tianjin Road Shows in Tianjin, China and the 2012 China Outbound Travel and Tourism Market (COTTM) in Beijing scheduled for April 15 - 20, 2012. (Cost approximately \$4,000.00, Acct. No. CI-TTC073).
Motion approved.**

Discussion:

- Director Kloppenburg stated that this was the only business show dedicated to the China Outbound travel tourism sector. He added that it should be well attended because there would be buyers from all over China.
- Director Arriola inquired why GVB was sending only one staff, since this is the only outbound show.
- Director Kloppenburg replied that China staff would also support this show.

Breakdown:

Airfare:	\$1,285.00 x 1 pax	= \$1,285.00
Per Diem:	\$222/day x 1 day	= \$ 222.00 (Tianjin)
	\$377/day x 5 days	= \$1,885.00 (Beijing)
Unanticipated expense: i.e. excess baggage		= <u>\$ 608.00</u>
TOTAL EXPENSE:		\$4,000.00

Background: COTTM, the only business to business show in China entirely dedicated to the China outbound travel and tourism sector. Anticipating 4,000 trade visitors including 400 Chinese hosted buyers from all over China. A wide range of trade associations such as National Tour Association, the Pacific Asia Travel Association and the European Tour Operators Association, as well as numerous Chinese and international media partners support COTTM. Participation in COTTM is an ideal platform to bring awareness of our destination and operators in China.

The bureau will also be attending the NTA Road Shows in Tianjin to meet with travel agents for a Guam Product Update Seminar.

Issue: Board approval required for travel.

- o **Motion made by Director Kloppenburg, seconded by Director Calvo, to approve travel for the Deputy General Manager to attend the 10th Routes Asia conference in Chengdu, China scheduled from April 15 – 17. (Approximate cost up to \$2,500.00, Acct. No. CI-SMD023). Motion approved.**

Discussion:

- Director Kloppenburg stated that GVB would be going along and assisting GIAA, which was discussed at previous board meetings ago. He stated that the conference is about air service routes within the region and ways to develop strategies to improve them.
- Vice Chairman Baldyga stated that he recently met with Bruce Buchanan, President of Jetstar in where they discussed air routes, he stated that getting out of Haneda would be cost prohibitive for LCCs.
- Vice Chairman Baldyga stated that he asked Mr. Buchanan if he knew anything about the 10th Routes Asia Conference and his response was that it could be extremely productive or a waste of time, depending on how many meetings are set up ahead of time.
- Director Kloppenburg noted the comment and will try to ensure that meetings are setup ahead of time.

Breakdown:

Airfare: \$1,340 x 1 pax	=	\$1,340.00
Per Diem: \$232.00/day x 25% x 4 days	=	\$1,160.00
TOTAL EXPENSE:	=	\$2,500.00

Background: Routes Asia is a conference and exhibition dedicated to existing air services and routes within the region and strategies to maintain, develop and improve them.

Routes Asia brings together key players in the airline and airport industry from Asia, Tour Operators and Tourism Authorities

Issue: Board approval required for travel.

H. Destination Management:

- Vice Chairman Baldyga stated that as he was reading the previous minutes he noticed that Director Saad has been frustrated. He inquired if there were any progress made.
- Director Saad replied that there are several meetings scheduled for next week.
- Director Saad stated that there are efforts in place to clean Airport Road on April 21st. He stated that this is a cleanup campaign with GVB, GHRA, GIAA, and JGTA from the airport to JFK hill.
- Director Saad stated that Bob Salas with LMS has volunteered his staff to do some of the cleaning and DoA would be planting some trees.
- Director Saad stated that there would be a meeting Thursday to follow up on the cameras, sirens, and CAPE. He added that meetings are in the works but nothing has been accomplished.
- Vice Chairman Baldyga inquired if there has been support or progress on the government side and if he had any suggestions to make it happen.
- Director Saad replied no.
- Director Arriola suggested the need to develop rapport with agency heads and to especially have GM Camacho have rapport with which you are having a stumbling block.
- Director Saad stated that meetings are attended and observed, but no action.

- Director Saad stated that he met with COS Arriola and presented him a list of issues, but nothing has happened.
- Vice Chairman Baldyga stated to Director Kloppenburg that destination management is critical and asked if he had any suggestions.
- Director Kloppenburg stated that the budget is due May 1st to the Legislature and that the TAF collections are exceeding projections. He suggested taking a serious look at projects that the committee really wants to fund and submit as part of the budget.
- Vice Chairman Baldyga agreed and stated that GVB would then have control over the funds to execute.
- Director Saad responded that his committee did that previously but then the budget was cut.
- Vice Chairman Baldyga commented that since this year is exceeding collections, perhaps it should be tried again.
- Director Arriola added that when it is submitted as part of the budget, the Legislature would look at that and question why is it in GVB's budget and not in DPW's budget.
- Vice Chairman Baldyga stated that it would at least be called to their attention and we would have the chance to explain our frustrations and need for results.
- Director Saad stated that he would try it.
- Director Calvo inquired if Director Saad has met with DPW Director Joanne Brown.
- Director Saad replied that they had a meeting a while ago to discuss the lights and stated that she had other priorities. He added that Deputy Director, Carl Dominguez attends meetings, but haven't seen much results.
- Director Calvo stated that going to COS Arriola might not do too much, because he has many other things on his plate. He added that the department heads are the ones that make the decisions.
- Director Saad commented that it's been tough to get simple signs corrected.
- Director Fortino stated that she has tasked Francis Guerrero to attend a lot of committee meetings and noticed that there is no coordination of steps and understands Director Saad's frustrations.
- Director Kloppenburg stated that we have what is needed to move forward; we just need the money to support it.

I. Membership:

- Director Kloppenburg stated that the Quarterly Membership Meeting was held on Monday and was very well attended.
- Director Kloppenburg stated that he had requested from Mr. Kurosawa for a copy of his presentation.
- N. Leon Guerrero responded that his presentation was not available. She stated that she received in writing from JTB that the report is kept confidential.
- Director Kloppenburg responded that his presentation was general information.

J. Research:

- Director Taimanglo stated that his committee has been working on the budget and keeping it status quo.
- Director Taimanglo stated that Marketing has requested for exit surveys for Russia.
- Director Taimanglo stated that the customs forms would be touched up with each market to review what kind of data they would prefer collected. He added that there are certain questions that would be kept and also to determine if it has been used before, so space is not being wasted.
- Director Taimanglo was advised that it would be a long process and up to a year to complete. He added that he would try to shorten that.
- Director Taimanglo stated that once completed it would be forwarded to different GovGuam agencies, industry partners, and then to the Attorney General's office for final approval. He added that once approved they would determine the form size and ink.

K. Cultural Heritage & Community Outreach:

- Director Arriola stated that her committee met yesterday to work on the budget. She added that her committee approved the budget and would be presented at April's board meeting.

L. Sports & Events:

- Director Crisostomo stated that she was part of the committee to go over the RFP for Event Director for the Annual Ko'Ko' Road Race.
- Director Crisostomo stated that last year's race didn't have an official Race Director, which affected the race tremendously.
- Director Crisostomo added that this year the committee is a lot more proactive in getting a qualified Race Director in place.

❖ **EXECUTIVE SESSION:**

- Nothing to report.

❖ **OLD BUSINESS:**

- *Vice Chairman Baldyga updated Director Saad on the discussion of hotel ratings.*
- Vice Chairman Baldyga stated that at the last meeting with JGTC there were long discussions about ratings. He stated that it started with restaurants, because consumers have no idea where they're going and that some restaurants are good and some are bad and it hurts the destination when going to bad restaurants.
- Vice Chairman Baldyga stated that JGTC proposed a rating system, which opened up a discussion on rating hotels. He reported most of JGTC members strongly supported having both hotel and restaurant rating system.
- Vice Chairman Baldyga stated that as this was discussed at the last board meeting, the board came to the conclusion that for the good of the destination, we should go for an international hotel rating system and until we have to rate ourselves by an international standard, Guam will never get out being viewed as a second tier destination.
- Vice Chairman Baldyga commented the need to step it up to live up to our potential as a destination.
- Vice Chairman Baldyga stated that many hotels are resistant to it. He added that DGM Denight had discussions with M. Torre who said that she was supportive as well as the hotels, but didn't want all the hotels in Guam to receive a 2 ½ star rating.
- Vice Chairman Baldyga suggested to propose a phased approach to invite the rater to rate the hotels and not report it, just go to each property and give them a report on what they need to do and comeback a year later and have them rated again. He added that the second time around we could have a Guam version of the rating that perhaps adds an extra star to each property.
- Vice Chairman Baldyga stated that GVB should strongly encourage GHRA, based on industry feedback and the desire to move the image of the destination and quality forward, so we could improve the yield.
- Vice Chairman Baldyga recommended for GVB to work with GHRA to phase in a rating system.
- Director Saad responded that as for rating restaurants there are two agencies that he is aware of that rate, Michelin and Zagat.
- Director Saad stated the he doesn't believe they would come to Guam and that Guam is not on Zagat's radar.
- Director Saad stated that there is no one locally that could rate restaurants.
- Vice Chairman Baldyga mentioned the Food Guide and stated that for restaurants it could be any neutral rating company in Guam as opposed to the Food Guy.

- Director Saad responded that they only touch on the positive things and that there is no one on Guam to give a proper rating on what GHRA and JGTA are looking for.
- Director Saad stated that GHRA is open to dialogue to further discuss.
- Director Saad stated that as for hotels, GHRA had a lengthy discussion at yesterday's board meeting and there were some issues that the hoteliers raised. He stated that 90% of the market are Asians and the hotels do certain things for them in the rooms based on expectation and culture, which is not necessarily in accordance with AAA.
- Director Saad stated that they discussed back and forth and that the best thing to do is to have GHRA, hotels, JGTA, and CVB have some sort of agreement on how to go about it. He suggested possibly going after HongKong's standard rating or coming up with something modified for our markets rather than North America/US market rating.
- Director Saad stated that GHRA is open to discussion to come up with some kind of understanding on the standards and how to go about it.
- Vice Chairman Baldyga asked Director Saad if the letter should be revised to be an invitation for discussion.
- Director Saad replied yes.
- Director Saad stated that there are interest from some of the hotels that want the rating and some that don't.
- Director Kloppenburg commented that if we do the rating he heard that the hotels wouldn't get higher than a three.
- Vice Chairman Baldyga stated that the concept is to have a phased approach.
- Director Kloppenburg agreed.
- Vice Chairman Baldyga suggested possibly for GVB to put together an RFP for rating.
- Director Calvo commented that there is an application where reviews are submitted and someone gathers information and rates the company.
- Director Fortino inquired if there was an agency that would rate Guam as a destination.
- Vice Chairman Baldyga stated that he would leave it to management to invite for discussion as soon as a date has been sent then anyone could join in.
- Vice Chairman Baldyga stated that as a board perspective, we are supporting the notion and encouraging dialogue.

❖ **NEW BUSINESS:**

- Director Fortino inquired if there was an agency that would rate Guam as a destination.
- Director Cristobal commented that there is a new publication that she came across printed in Australia that had a section of all Micronesia destinations.
- Director Fortino stated that GVB's mission is to market the island and create a brand.
- Director Calvo suggested if management could find out where Guam is looked at, relative to potential competitor or competitive market.
- Vice Chairman Baldyga agreed and stated that it doesn't hurt to self evaluate and that this is part of the five year strat plan to do a comparative analysis.
- Director Kloppenburg commented that he received an email from Pilar on a CNN article talking about China and that Guam is the new Maldives for China.
- Vice Chairman Baldyga stated that he communicated with China Travel Service and that they are aware of our quest for visa waiver and ready for the pent up demand.
- Director Kloppenburg stated that he received another email that the US Commerce Department stated that 7%-10% visas are being prepared for Guam and this is without them knowing about Parole Authority. He added that their comment to us is that Guam will do very well with Russia.
- Director Calvo inquired how many Russians have visited.

- Director Kloppenburg replied in February there were 135 visitors and is on track for 2012 and will exceed.
- Director Kloppenburg stated that they have turned down more groups for families this month than accepted, because of the unavailability of rooms.
- Director Saad commented that there would be more rooms coming with Aurora and the Sherwood opening.

❖ **ANNOUNCEMENTS**

- Acting GM Phillips announced that the construction downstairs has been completed and staff would start moving out of the warehouse.

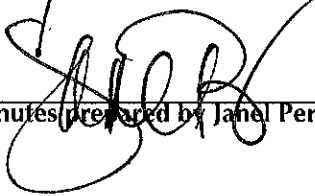
❖ **ADJOURNMENT:**

- Motion made by Director Kloppenburg, seconded by Director Calvo, to adjourn the meeting. Meeting adjourned at 5:09 p.m.

Attested:



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



Board Minutes prepared by Janae Perez, Executive Secretary