



REGULAR BOARD MEETING
GVB MAIN CONFERENCE ROOM, 4:00PM
THURSDAY; April 12, 2012

Board of Directors Present:

Vice Chairman Mark Baldyga	Hope A. Cristobal
Bruce Kloppenburg	Carol Tayama
Theresa C. Arriola	Judy Flores
Nathan Taimanglo	Rizk Saad
Jennifer Crisostomo	

Board of Directors Present Telephonically:

Board of Directors Absent:

Chairman Monte Mesa	Carissa Fortino
N. Oscar Miyashita	Eduardo (Champ) Calvo

GVB Management and Staff Present:

Joann Camacho	Nathan Denight	Nadine Leon Guerrero
Debi Phillips	Regina Nedlic	Rose Cunliffe
Tony Muna	Pilar Laguana	Mark Manglona
Brian Borja	Sonja Lujan-Sellers	Kraig Camacho
June Sugawara	Doris Ada	Gina Kono
Janel Perez		

Guests: Senator Tina Muña Barnes and Regine Biscoe Lee, Office of Senator Muña Barnes; Ken Baki, RW Armstrong; Alfredo Bustamante and Chris Guerrero, Edge Realty

❖ **Proceedings:**

Meeting called to order at 4:03 p.m. by Vice Chairman Baldyga.
Review of the previous Regular Board minutes dated March 22, 2012.

- o **Motion made by Director Kloppenburg, seconded by Director Cristobal, to approve the minutes of March 22, 2012.**

Motion approved (subject to correction).

❖ **Vice Chairman's Report:**

- Vice Chairman Baldyga stated that there was nothing in particular to report other than the Hot Bond projects, which would be covered during the meeting.

HOT Bond projects presentation by Mr. Ken Baki, RW Armstrong (RWA):

- K. Baki stated that there are two task orders under the HOT Bond projects.
 1. Guam and Chamorro Educational Facility (GCEF)
 2. Other HOT Bond projects
- K. Baki reported that the GCEF is priority status number one, which has been confirmed by all the different agencies that are affected such as OOG, GVB and GEDA.



- K. Baki stated that the other projects are sequenced based on the degree to which the project scope is defined, the degree of which project planning exist in the way of design engineering, and potential procurement type.
- K. Baki stated that projects were reviewed via the following criterias:
 - Priority in Public Law 30-228 and in the GVB Resolution
 - The state of completeness of project scope and design
 - The least time-to-implementation
- K. Baki stated that the completeness of project scope and design were factors in how to figure out how to approach each projects.
- K. Baki stated that there was great emphasis to pick the ones that had least time implementation to get some traction for two reasons: 1. Easy to implement, 2. Triggers in the HOT Bond, in terms of when money must be spent.
- K. Baki stated that the projects fell into three broad categories and dynamic status tiers. He added that there were projects that were 1) well planned and the scope of work was well defined and that RWA ranked approximately six in that category, 2) there were three projects that had clearly identified scope, but less completed, and 3) five with generalized scope and no planning, which would require additional time to research and implement.
- K. Baki added that the language directly from the P.L. states for improvements, but does not describe nor there are engineering drawings or any sort of scope that is well defined.
- K. Baki stated that projects such as the Malesso Bell Tower they are aware it has to be done, but there is not enough engineering or design development to put it out for bid immediately.
- K. Baki stated that the top rank groups where there are fairly developed scope and engineering drawings that have been and/or would be submitted to DPW for plan checked this week fall into those broad categories.
- K. Baki stated that within the project scope they looked at various priorities for the projects based on the initial GVB priority list stated in Resolution 2010-002 and then followed by Resolution 2011-002.
- Director Saad inquired how San Vitores Flooding had became priority #12.
- K. Baki replied that based on GVB Board Resolution 2010-002 it was listed as #12 on the list.
- Vice Chairman Baldyga responded that this 2010 Resolution did not use the word "prioritization" and was intended to simply "list" those projects to be included. He added that it was only at the last PMO progress meeting that he became aware that the priority sequence was incorrectly following the 2010 resolution including flooding at #12 instead of #2 and that he had then provided a copy of the 2011 GVB Board Resolution 2011-002 in that same meeting.
- K. Baki stated that neither GEDA nor RWA previously had a copy of the document.
- Director Cristobal responded that it was provided to all at the first meeting with the Governor.
- Director Kloppenburg inquired if Governor Calvo made decision on the priority listing.
- CM Camacho replied not yet. She added that they are doing the scope of work for all projects listed and would present to the Governor.
- Director Kloppenburg stated that it should be GVB to make the decision, since GVB initiated the bond in the first place.
- K. Baki stated that RWA is marching to the P.L. 30-228 priority list. He added that they are not changing the priority, but changing the sequence in which it relates to those projects that can immediately go out the door.
- Vice Chairman Baldyga pointed out that the P.L. 30-228 likewise had flooding listed as the top priority below museum.
- K. Baki stated that Historic Hagatña Projects and Inarajan Community Center Restoration are out for bid and qualification documents are due April 25th. He commented that the Community Center had well defined engineering and was put out for bid immediately.

- K. Baki reported that the Plaza de España had four (4) qualified firms that submitted and would be asked for pricing for the work next week.
- K. Baki stated that with regards to the flooding work at Fujita Pump Station, plans have been submitted to DPW for pre-final plan check and they would process and put that out to bid and manage the construction of that project.
- K. Baki reported that the remainder of the work on Pale San Vitores Road was completed largely by ARRA grants and the Agana Bay and Camp Watkins lightings have been added to GPA's budgets/projects, which came off the HOT Bond list.
- K. Baki stated that none of the projects have been fully bided and some are developed estimates that are done by cost engineers and the others are best guess or historical from when the original bond work was done.
- K. Baki reported that Tumon Bay Improvements including Gov. Joseph Flores Park cost is \$700,000.
- K. Baki stated that originally the amount of money received was far less than what was anticipated with the bond. He stated that he recalled it to be \$68 million but only received proceeds of \$55 million.
- K. Baki reported that GEDA/PMO allocated cost is around \$56.1 million and if they move forward with the scope of work the shortfall would be around \$500,000.
- Vice Chairman Baldyga added assuming that the GCEF is \$27 million.
- K. Baki replied correct.
- Vice Chairman Baldyga stated that it's expected that the GCEF is likely to cost more than \$27 million based on preliminary feedback.
- K. Baki responded that the contract with Architects Laguana & Cristobal limits the construction cost of \$20 million.
- Vice Chairman Baldyga asked K. Baki to confirm that the construction cost estimator had estimated the GCEF to be \$35 million.
- K. Baki replied yes if the building was to be built at Fort Agueda as oppose to Skinner Plaza.
- Vice Chairman Baldyga inquired if building on Skinner would be cheaper.
- K. Baki replied yes. He stated that there is no basement and no grading.
- K. Baki added that some of the features that were in the original design were too expensive and they would modify those as part of the value engineering.
- Vice Chairman Baldyga asked if it turned out that the GCEF is more than \$27 million would it be fair to say that the GCEF would take priority over other projects as far as incremental spending.
- K. Baki replied that it could and would trigger for additional funding, which would come from USDA loan. He stated that there is a low interest loan that was applied for back in 2009 or 2010 and the application for \$25 million is still open at USDA.
- Director Cristobal if that would be for the building itself or operations.
- K. Baki replied that the HOT Bond is strictly for building and not for maintenance. He added that the USDA loan could be used for other things.
- Director Cristobal commented that she thought \$7 million was set aside for operations.
- K. Baki responded that the \$7 million was set aside for soft cost, such as design and construction management.
- Director Kloppenburg stated that the Guam Museum Foundation (GMF) has ownership over the GCEF and that GVB is basically out of the loop.
- Director Kloppenburg stated that what concerns the board is that the GCEF is a priority to GVB as well as every other project on the list and the board doesn't want to make the GCEF number one (1) at the expense of everything else. He inquired if the spending could be capped at \$27 million.
- Senator Muña Barnes responded that Bill No. 485-30 stated that the Guam Museum is the first priority.
- Bruce responded what if the GCEF cost \$55 million to build.
- Senator Muña Barnes stated that they're supposed to work within the limits of the scope.

- Director Cristobal added that out of \$55 million \$27 million was set aside.
- Director Kloppenburg stated that in order to spend more than \$27 million, we need to go back to the Legislature for approval.
- Senator Muña Barnes stated that if the \$27 million doesn't suffice then there could be other leveraging that could be utilized. She stated that as mentioned the USDA loan is still open and hasn't been tapped into and there could be a supplemental.
- Senator Muña Barnes stated that every time you ask the Legislature for money a funding source has to be determined for it.
- Director Kloppenburg stated that the board is not concerned with the GCEF because GMF would do everything in their power to get it built and do it right, but GVB has other projects that are important and we have to make sure that there is some money left so we could go to work on those.
- Vice Chairman Baldyga read the highlighted section (below) of the PL 30-228 Verbatim Listing of Projects and asked K. Baki if it was his understanding once it starts at #2 the sub-projects should be followed in that priority list or not.

i. Infrastructure Improvement Projects. The proceeds of the new money bonds issued under this Section are hereby appropriated in amounts not to exceed the following amounts for the purposes of implementing the following projects, in the following order of priority:

- K. Baki replied that his understanding is that there is a prioritization, however it is not a sequential list of projects.
- Vice Chairman Baldyga inquired whether the monies for each priority is lock boxed to that item just as the \$27 million is for the GCEF or not.
- K. Baki stated that they are only placeholder numbers as far as he is concerned at the moment as they receive firm prices back through bidding. He stated that they'll carry those numbers and do cost estimates as necessary.
- Vice Chairman Baldyga stated that in the case of the Legislation, the \$41 million is a lump number for everything and is not itemized.
- K. Baki replied correct.
- Director Cristobal responded that it is \$28 million and no longer \$41 million.
- K. Baki stated there is \$28.5 million and roughly \$13 million went to pay down debt and pay for bond acquisition process.
- Vice Chairman Baldyga stated that the board concern is if we go out of sequence and as we start committing funds and spending money, e.g., \$4 million to the Guam Preservation Trust that has been committed then as these funds start getting drawn down and if it turns out that we are over budget then it has to come out of somewhere at the end and the last projects to get funded may not have sufficient funding even if they were intended to be high priorities.
- Vice Chairman Baldyga commented that the first things funded will effectively be high priorities and will be funded while remaining items might or might not be funded.
- Vice Chairman Baldyga stated that while RWA might have the discretion to move the implementation around the board concern is that this approach might cause us to run short on completing certain tasks that are priorities to GVB.
- Director Cristobal stated the other concern is that there is only thirty-six (36) months to fully encumber the funds.
- Vice Chairman Baldyga inquired if that was correct.

- K. Baki replied affirmative. He added that it's stated on the bond standards and is confirmed that there are triggers in the bond and that is why they have to do the projects simultaneously.
- K. Baki stated that 28th of April of every year; they have to have a certain percentage of the funds committed to projects. He added that they have by April 28, 2014 to have 85% of those funds fully committed.
- Vice Chairman Baldyga stated that his first frustration based on the last PMO progress meeting was that flooding was supposed to be #2 and was instead #12 but that there was a second issue as well. He stated that it disheartened him to find out that the PMO was taking the approach that the scope of work for the flooding was limited to installing the Fujita Pump Station, whereas it was his understanding that the flooding was to be fully resolved and that neither the Legislature nor GVB would ever have intended that a pump station would be installed but that Tumon would still flood. He pointed out the language of the public law as follows.

(A) for resolution of the San Vitores flooding caused by storm water runoff along San Vitores Road north of the Fujita Pump Station *by collecting and removing storm runoff via transmission to the Fujita Pump Station to be discharged at a suitable location;*

- Vice Chairman Baldyga stated that from the beginning the intention was to fix the flooding so that the tourists are not walking in thigh deep water. He added that there has been no study to look at the overall storm water situation and determine what solution would be needed.
- Vice Chairman Baldyga asked K. Baki it is was a fair statement to say that no knows if the Fujita Pump Station fix would actually fix the flooding.
- K. Baki replied that they have yet to see the calculations from the drawings.
- Vice Chairman Baldyga stated that the drawings were limited to the pump station and that he had spoken with the engineer drafting the drawings at length yesterday and that the engineer's own opinion that no one could know from the pump station drawings if the pump station would actually fix the problem. The engineer stated that in his own words that "no one knows and the only way to know is to do a comprehensive study of the storm water".
- Vice Chairman Baldyga added that he spoke to GEDA today who assured him that they would proceed to perform the study, but beyond that study, it would need to be priced and determined how it gets resolved within the context of this law.
- K. Baki responded that it does need to go through the Bond Council to see if flooding solutions beyond the pump station can be included.
- K. Baki stated that the area storm water plan is covered in the Storm Water Master Plan (SWMP) which every municipality and every government needs to prepare and that the document details how they'll handle the storm water run off, how they'll clean it if necessary, and how they'll discharge it.
- K. Baki added that this would need approval by EPA and that document is then blessed and then the SWMP, which is the driving force for regional water control is administered under the DPW Director. He stated that the same DPW Director who designed the Fujita Pump Station is the individual who blessed that plan initially and that there is some connection with that plan and the pump station.
- K. Baki stated that secondly, the point that was raised that it might require to looking into additional studies which would require an amendment to the SWMP and would also require going through the same permitting process with EPA and perhaps Army Corps of Engineers to get an amended SWMP. He added that this was a possible option and the process could take six to eight months.
- K. Baki stated that this would have to go through EPA and obtain Agency approval in addition to doing the study.

- Vice Chairman Baldyga stated that it seemed as though there was support building up to have that done, but the challenge is that during that same time we need to proceed on a parallel track with other projects knowing that we're probably going to run short on funds.
- Vice Chairman Baldyga urged that we lock box the funds needed for the flooding.
- Director Cristobal inquired how much is being set aside to address (2)(A) San Vitores Flooding.
- Vice Chairman Baldyga replied \$11.5 million at the present time, but that this number was a wild guess/estimate at the time the allocations were set.
- Director Kloppenburg suggested that the Administration should be part in this conversation because they make the final decision.
- Vice Chairman Baldyga stated that we have the Administration's full support to try to pull everything together and that there are gaps and miscommunication in regards to the Resolution, so that the next step is to have a meeting with all core players on the same page.
- Vice Chairman Baldyga stated that he's been attending the PMO Progress Meeting as GVB's representative and received a list of priorities that had nothing to do with Resolution 2011-002 that the board and management spent so much time on and it was important to invite K. Baki today to have this dialogue of concerns.
- Senator Muña Barnes wanted to share for the record that if it is the intent of the body to change anything based on the Legislation and if anything needed to be changed as far as priorities, it must come back to the Legislature.
- Senator Muña Barnes stated that she is aware that RWA met with Vice Speaker Cruz, who was initiator of this Legislation that passed into law and the guidelines were there.
- Senator Muña Barnes suggested that the best thing to do is to bring all parties back to the table and if there is re-shifting of priority based on GVB concerns then it should be brought up to the forefront with everyone there.
- Director Kloppenburg asked K. Baki for clarification that they have not changed the priorities and that there are still the same.
- K. Baki replied that they have not changed the priorities and are still same.
- Vice Chairman Baldyga commented that when you say priority you put them on a list in a certain order, but when funds are starting to be committed necessarily changes the priority since if a lower priority project is funded then it in fact has become a higher priority project at that point especially since there may be insufficient funds to perform all projects.
- Director Kloppenburg stated that items can still be a priority but not in terms of spending and then the "list" matters less than the order of what is funded.
- Director Cristobal wondered if the verbiage in the law would allow the expansion that we could proceed rather than going back to the Legislature.
- K. Baki stated that he had a conversation with Karl Pangelinan earlier today and would check with Stan Dirks with the Bond Council to see if the language is broad enough to add the other elements needed to resolve the flooding.
- Vice Chairman Baldyga stated that this is a complicated subject and a lot of issues at hand.
- Vice Chairman Baldyga recommended to hold a special meeting for anyone who wants to attend with GEDA, Legislative Representative, RWA and have a dedicated meeting about the prioritization and move forward and in following that have another Resolution to the board to re-enforce the core points raised at the meeting.
- K. Baki stated for procurement timing, to meet bond timing they need to get a bulk of the projects done by 2012 and 2013 with the completion of the GCEF in 2014.
- Director Kloppenburg inquired if there is a mechanism in place that if we are unable to meet the deadline we could ask for an extension.
- K. Baki replied that the bond is clear that timing has to be met.

- Director Cristobal stated that the project doesn't need to be completed, however the money needs to be committed.
- K. Baki stated that the worksheets shown at today's meeting and at last week's PMO Progress Meeting are drafts and have been refined. He stated that at the next PMO Progress Meeting it would be more complete and final.

❖ **General Manager's Report**

- GM Camacho reported that March arrival numbers are very positive compared to last year. She added that Japan arrivals increased 19.2% from in 2012 vs. 2011.
- GM Camacho stated that Russia arrivals have not been added to the report yet, but for the month of March there were 302 arrivals from that market.
- Director Kloppenburg added that it should be noted that more were turned away due to lack of hotel rooms.
- GM Camacho reported MTD2012 arrivals from April 1 – 7, 2012 is up 34.9%.
- GM Camacho announced that the MICE Planning Seminar is scheduled for April 19th at the Fiesta Resort from 8 a.m. – 11:00 a.m. and encouraged for all to attend. She stated that Mr. Takaya Okuyama will be the guest speaker.
- GM Camacho commented that Korea's 3-month forecast looked very strong. She stated that Jin Air and KAL flights are coming in full.
- GM Camacho reported that Director Miyashita and F. Reyes recently met with airline and tour agent executives in Seoul and Busan.
- GM Camacho stated that Jin Air would be adjusting flights to accommodate KAL's Russian flights transit to Guam and would be looking into adding additional flights. She added that Hana Tour's recovery from Japan's triple disaster proved successful in spite of risk, there were 100% and zero cancellations to all destinations shortly after the disaster.
- GM Camacho stated that there are plans for meetings with GIAA and Jin Air, Eastar Air, Jeju Air, which is scheduled for some time in June.
- GM Camacho stated the need for GIAA clearance and accommodations for additional flights.
- GM Camacho stated that China Airlines would be adding eleven (11) additional flights in total from June 29 – August 8, 2012.

Russia:

- Senator Muña Barnes stated that she was humbled to represent Guam with the support of Governor Calvo to lead the Guam Delegation to Russia.
- Senator Muña Barnes stated that the team was exceptional and wanted to share that one of GVB's members played a collaborating effort with the GVB team.
- Senator Muña Barnes thanked P. Laguana, G. Kono, Edge Realty, and three (3) tour operators for sharing their leadership and expertise.
- Senator Muña Barnes reported that the U.S. Ambassador to Russia Mr. Michael McFaul and the U.S. Consulate in Vladivostok were intrigued and mesmerized with the work that the Guam Delegation did there.
- Senator Muña Barnes stated that over 80,000 tour operators and consumers attended the Moscow International Travel & Tourism Exhibition (MITT).
- Senator Muña Barnes stated that she wanted to give P. Laguana, G. Kono, and Alfredo Bustamante, Edge Realty time to share their experience in Russia.
- Senator Muña Barnes stated that they first started a meeting with a launch of GVB's Russian language website with U.S. Commercial Service and U.S. Embassy.

- Senator Muña Barnes stated that A. Bustamante spoke about strategic plans for the EB-5 planning and investments to Guam and what they have to offer. She stated that this is a new twist in this market, because there are fifty-one (51) hotels and 9,000 rooms and we are turning away tourists.
- Senator Muña Barnes stated that there was concept that was brought up that has existed in Guam for forty (40) years, which in fact P. Laguana's mother operated a bed and breakfast. She stated that this might be a new industry in itself and it depends on how Guam markets it.
- Senator Muña Barnes reported that they met with a lot of media and conducted many interviews.
- Senator Muña Barnes stated they shared space with the Marianas Visitors Authority (MVA). She thanked DGM Denight for working closely with KAL and United.
- Senator Muña Barnes stated that it is important to continue the mission in Russia, because if Guam wasn't represented out of the 1,900 participant booths and over 300 countries, Guam would be out of sight and out of mind.
- Senator Muña Barnes thanked GVB for taking the risk to know outbound travelers that want to come and visit.
- Senator Muña Barnes commented that she had the opportunity to speak to Russian tourists and they discussed about Guam hotels that need to be rated, speaking and interpreting the Russian language.
- Senator Muña Barnes recommended that GHRA must rate hotels.
- Vice Chairman Baldyga responded that a letter was sent to GHRA, inviting them to a discussion to implement a rating system. He stated that GVB felt that without international standard ratings, Guam would never reach the first class destination that our industry aspires to be.
- Director Cristobal suggested that Senator Muña Barnes also send a letter.
- Senator Muña Barnes replied that she has begun drafting a letter and would submit to GVB board prior to sending it to GHRA. She added that she had the opportunity to speak with M. Torre in reference to the rating system and received her full support.
- A. Bustamante stated that the Guam booth was small but very busy and spoke to investors who are interested into coming to Guam.
- A. Bustamante thanked the Guam Delegation.
- A. Bustamante stated that there is a demand of Russians coming to Guam. He stated that Japan is and has been a great asset for Guam, however their stay is between 3-5 days as oppose to Russians who stay three (3) weeks and spend a lot of money for good service.
- P. Laguana stated that they went to Moscow to attend MITT and launched a social media platform. She stated that they requested for U.S. Commercial Services and U.S. Embassy to leverage exposure with them as well as MVA.
- P. Laguana stated that they conducted a product seminar and made a point for our key stakeholder KAL to participate in the networking. She commented that they had KAL and United's full support, which in the past has been difficult for key stakeholders to get together.
- P. Laguana stated that after MITT they headed over to the far eastern cities to two (2) seminars and that everyone was attentive to what they were presenting.
- P. Laguana stated that Russia is the 9th largest travel market and ultra rich and by being there they had a great learning experience about this market. She stated that she was excited for Guam's tourism industry and businesses.
- P. Laguana thanked the board for believing in this mission and that there are more exciting programs to come.
- P. Laguana stated that they received about 500 new contacts and would share with any GVB member who wants to foster those relationships.
- P. Laguana commented that there was international media and made every opportunity to mention the CNMI and Micronesia. She stated that the region benefited from their work.
- Director Cristobal wanted clarification about GVB promoting real estate.

- Vice Chairman Baldyga clarified that GVB is not promoting real estate and that A. Bustamante was promoting himself at his own expense and is a GVB member.
- P. Laguana responded that in GVB's membership there is a diverse menu of services and products. She stated that our travel agents are interested in the whole island and not just hotels and tours.
- P. Laguana stated that the Russian market is interested in business investments and that this is a vibrant and interestingly important component on a market place.
- A. Bustamante stated that due to the lack of rooms they are able to offer clients the idea of buying condominiums in Tumon and Tamuning and renting those out to their own clients.
- A. Bustamante stated that he booked his flight before becoming a GVB member and when he became a member he was invited to go to the two (2) cities.
- P. Laguana stated that the reality is that travel agents are rating Guam hotels on their own.
- P. Laguana added that we created the Guam Brand and committed to living up the Guam Brand and if we disappoint the market they're going to rate our brand for us. She stated that the travel agents come quietly and do their own inspections and already know which hotels they want to use.
- Director Saad responded that GHRA already has a rating system in their guidebook.
- P. Laguana stated that the Russian traveler have a high standard in the expectations and experience and are prepared to pay for it. She added that they are looking for luxury service and accommodations.
- Senator Muña Barnes stated that she had a conversation with Ms. Elizabeth MacDonald from the U.S. Consulate Office about Vladivostok being close to Guam. She stated that to Seoul is one (1) hour and Seoul to Guam is a four (4) hour flight and if there were a direct flight it would be no more than five (5) hours.
- Senator Muña Barnes stated that there was talk to collaborate and see from airport to airport on what possibilities are there to have a direct flight.
- Senator Muña Barnes stated that E. MacDonald's job is to promote Guam and the commitment to the Obama Administration is to make sure if there were new ideas, to work with the U.S. and she would help facilitate, because there is interest in Guam.
- P. Laguana stated that Vladivostok terminal would be opening a brand new terminal building in June in preparation for the APEX event.
- Director Kloppenburg stated that there are two (2) issues, which is airlift capacity and hotel rooms. He suggested for the board to assist the Bureau.
- Director Kloppenburg stated that Russia is not a charter market and that the charter business is difficult out of Russia, however we need to still develop the seat capacity.
- Director Kloppenburg added that there are alternative routes, which is out of Hong Kong and Korea, however seats are limited to non-Koreans.
- P. Laguana stated that there is another concern on how do we handle the Russian market when we're trying to obtain the China Visa Waiver. She stated the need to find a way to solve the room capacity in a very innovative way, so we don't have the reason not to earn the China Visa Waiver and not being ready for it.
- Director Arriola stated that she was very concerned about the same amount if not more that are being turned away because at some point it will turn against us.
- Director Kloppenburg stated that he requested from GHRA an analysis for the hotel's summer projections, so we could determine how many rooms are available at what certain time frame.
- Director Kloppenburg stated that it appears if Russian agents start booking then there shouldn't be a summer program. He added that there are also exercises in the military that we should be concerned about and try to obtain information.
- Director Kloppenburg commented that he heard that there are 600 Marines coming for training and that the entire Officer Corps would be staying at the Westin.

- Vice Chairman Baldyga agreed and encouraged to move forward with obtaining an analysis of room inventory.
- Director Saad stated that GHRA's board meeting is next week Wednesday and that the issue is on the agenda.
- GM Camacho stated that there is another component, which deals with the airport. She stated that KAL Manager said that he would not be promoting any seats to Guam because of the type of service at the airport.
- Director Arriola commented that in the past there was a sponsored or paid for concierge person at the airport in the beginning stages for the market to minimize negativity.
- Director Kloppenburg responded that there is an Ambassador Program in place.
- GM Camacho stated that Discover Guam has one and needed to be coordinated.
- Vice Chairman Baldyga asked Director Kloppenburg for his top ten (10) recommendations for the Russian market to share at the next meeting.
- Director Cristobal suggested that in the meeting with the Governor regarding the HOT Bond issues that board and management should address the issues at the airport.
- Director Kloppenburg stated that it should be the GM to GM and Board Chair to Board Chair.
- Vice Chairman Baldyga thanked Senator Muña Barnes and all for their hard work in Russia.
- DGM Denight announced that PHARE is going on today and tomorrow in which GVB is the presenting sponsor.
- GM Camacho announced that there are two (2) Sports Tourism Events happening this weekend which are Shell V-Power Smokin' Wheels and Guam Large Ball Table Tennis Tournament.
- GM Camacho introduced and welcomed newly hired GVB staff Brian Borja, Marketing Officer I.

❖ **Report of the Treasurer:**

○ **Cash Position Report:**

- Cash report as of April 9, 2012.
- Total cash in banks report (as of 04/09/12) \$7,719,357.74
- Total allotment received to date: \$6,570,426.20

- Vice Chairman Baldyga followed up on Director Kloppenburg's concerns with the cash in bank and inquired about the Asatsu invoices.
- GM Camacho replied that Accounting is still waiting for the invoices and should receive by the end of the week.
- Director Cristobal commended Management and Staff on the audit.

❖ **Report of the Board Committees:**

A. **The Strategic Advisory Council:**

- Nothing to report.

B. **Administration/Government Relations:**

- Nothing to report.

C. **Executive Committee:**

- Motion made by Director Kloppenburg, seconded by Director Cristobal, to ratify approval of travel for the Deputy General Manager to attend a meeting with ADK in Tokyo, Japan on March 30, 2012. (Estimated cost \$1,612.50; Account #SMD008)
Motion approved.

Background: A meeting is scheduled between the DGM and ADK to discuss upcoming marketing activities for FY2013.

Breakdown is as follows:

Airfare		\$1,000.00
Tokyo Per Diem	$(\$490.00 = 25\%) \times 1 \text{ day} =$	\$612.50
TOTAL		\$1,612.50

Issue: Time sensitive and board approval required for travel.

D. Japan Marketing:

- Vice Chairman Baldyga stated that his committee is still working on the hotel rating system as well as working on the budget.
 - Vice Chairman Baldyga proposed to do three (3) Hafa Adai Study Tours for Consumers, MICE, and School Groups. He stated that there are a lot of efforts that these tours have historically yielded great sales results.
 - Vice Chairman Baldyga stated that at their next meeting they would discuss the proposed study on the MICE Market.
 - Vice Chairman Baldyga stated that he would push ADK to submit their plan early.
 - Vice Chairman Baldyga stated that they are working on a “shopping list of activities” for school groups.
- **Motion made by Director Kloppenburg, seconded by Director Arriola, to approve travel for Mr. Yuji Mitsumori and Mr. Takaya Okuyama (airfare and hotel only) to attend the MICE Seminar on April 19, 2012. Account Number SMD045 (Estimated cost of travel: \$2,421.50)**
Motion approved.

Background: Mr. Takaya Okuyama, Senior Research Fellow, MICE Research Institute will be the guest speaker for MICE Seminar on April 19, 2012 at the Fiesta Resort. JMC has requested that Mr. Mitsumori accompany him to Guam.

Airfare for 2 pax		\$1,790.00
Hotel rooms for 2 pax	$\$111.00 \times 2 \text{ days} \times 2 \text{ pax}$	\$ 444.00
Per Diem for Y. Mitsumori		
<u>Meals & Incidentals Expenses only</u>	$\$62.50 \times 3 \text{ days}$	<u>\$ 187.50</u>
TOTAL		\$2,421.50

Issue: Board approval required for all travel.

E. Korea Marketing:

- Nothing to report.

F. Existing Markets:

- Nothing to report.

G. New Market Development:

- Director Kloppenburg stated that with regards to China they are still waiting for DoD to publicly send their position on our efforts for Parole Authority. He added that he has not heard anything since the last set of meetings several weeks ago.

H. Destination Management:

- Director Saad announced that his committee would be meeting April 19th to work on the budget.
- Director Saad announced that on April 21st there is a Clean Up Campaign from Airport Road to JFK and down San Vitores Road that is sponsored by GVB, GHRA and JGTA.
- Director Saad shared with the board that this past Saturday he was with Chairman Mesa and Bob Salas in where B. Salas announced his idea of a Guam boardwalk. He stated that it would be concrete, eight foot wide from Hilton to PIC and the second phase from PIC to Matapang and hopefully to carry on to Gun Beach.
- Director Saad stated that B. Salas would fund part of the expenses. He added that they would have a meeting next week and that the objective is to get the first phase completed by the end of the year.
- Vice Chairman Baldyga responded that it sounded like a great idea, however his concern is the concrete, what does it look like, how would it be maintained, and what would it look like three (3) years later.
- Vice Chairman Baldyga stated that he was concerned about a conversation he recently had with an individual on a direct email quote internal to DPW that stated that DPW internally designates Tumon as a "No Maintenance Zone" with the thought that GVB would take care of any maintenance needed in Tumon. He stated that this was a very serious problem and proposed to investigate that statement to seek if it is true and if so then to seek resolution.
- Director Arriola recommended that GM Camacho meet with DPW Director.
- GM Camacho stated that DPW Director, Joanne Brown made a comment that in Tumon it is locally funded, so there is no federal funding for roadways or any type of maintenance, because of what has happened through the years of development.
- Vice Chairman Baldyga responded that the point is that it was not going to be locally funded, but rather was no going to be funded at all.
- Vice Chairman Baldyga commented that we've seen it with the streetlights and storm culvert and that it made sense to him that what may be true and if so we need to address it.

I. Membership:

- Nothing to report.

J. Research:

- Nothing to report.

K. Cultural Heritage & Community Outreach:

- Director Arriola stated that her committee passed two (2) motions on recommendations regarding the Legends of Guam.
- Director Arriola stated that management proposed a Two Lovers Point film to be created and go into partnership with DPR, who has an empty building near the site.
- Director Arriola proposed that management create a budget and determine how much modern day recreation of Two Lovers would be, so we could bring that into reality.
- Director Arriola stated that CHaCO finalized the budget for board approval.

L. Sports & Events:

- o **Motion made by Director Crisostomo, seconded by Director Arriola, to authorize the General Manager as Chief Procurement Officer of the Bureau to begin negotiations with the highest ranked respondent for RFP: 2012-004 Event Director for the Guam Ko'ko' Road Race and if successful, enter into contract.
Motion approved.**

Background: In accordance with 5GAC Ch.5 Guam Procurement Law, the Bureau issued a Request for Proposal 2012-004 for an Event Director for the Guam Ko'Ko' Road Race. The proposals were evaluated and ranked by the Selection Committee on March 28, 2012.

Issue: Board approval required to proceed with project.

- o **Motion made by Director Crisostomo, seconded by Director Taimanglo, to approve travel for (5) Five person delegation to travel to Sapporo, Japan to participate in the activities associated with the Toyohiragawa Marathon from May 3-7, 2012. Account Number ESP001 (Estimated cost of travel: \$8,022.00)
Motion approved.**

Discussion:

- Vice Chairman Baldyga inquired if the five pax to Sapporo is within the context of Sports' normal budget.
- Director Crisostomo replied yes.
- Director Crisostomo added that the delegation traveling would be the DGM, GVB Community Development Officer, one (1) Miss Guam, and two (2) Celebrity Runners. She added that a Sisterhood Race Agreement was signed where winners of the Ko'Ko' Road Race would go to the Toyohiragawa Marathon and winners of that marathon would go to our race.

Background: A Sisterhood Race Agreement was signed May 3, 2011 with the Guam Visitors Bureau and the Hokkaido Track and Field Association to encourage better relations and stronger Sports Tourism through the Toyohira River Marathon and the Guam Ko'Ko' Road Race. The sisterhood race agreement summarized the arrangements necessary for both race events', which includes commitment to attend themotion Toyohira River Marathon and Guam Ko'Ko' Road Race for both parties. Hotel accommodations are being provided for the Guam Delegation in Sapporo courtesy of Nikkan Sports.

Cost Estimate:

Airfare: Airport taxes and airline fees only	\$1,000.00	x 5 pax	\$5,000.00
Per Diem: (Meals & Incidentals Expenses only)			
GVB Deputy General Manager	\$144.00 + 25%	x 4 days	\$720.00
GVB Community Development Officer	\$144.00	x 4 days	\$576.00
Celebrity Runner	\$ 0.00	x 4 days	\$ 0.00
Celebrity Runner	\$ 0.00	x 4 days	\$ 0.00
Miss Guam	\$144.00	x 4 days	\$576.00
Miss Guam Honorarium	\$100.00	x 2 days	\$200.00
Miscellaneous:			
Car Rental ¥40,000 (¥10,000 x 4 days)	\$125.00	x 4 days	\$500.00
Gasoline	\$ 50.00	x 4 days	\$200.00
Gifts	\$250.00		\$250.00

TOTAL

\$8,022.00

Issue: Board approval required for all travel.

❖ **EXECUTIVE SESSION:**

- Nothing to report.

❖ **OLD BUSINESS:**

- Nothing to report.

❖ **NEW BUSINESS:**

- Vice Chairman Baldyga stated that given the interest in developing the MICE market and various comments in the press about needed or desired conference or convention facilities, he wanted to hear opinions about the suggestion of determining what type of conference convention facilities would be appropriate.
- Director Kloppenburg responded that a study was conducted previously and there is documentation to support and provide all of the data necessary to make an informed decision that a conference facility in the range of 2,500 pax maximum would be appropriate. He added that the study was conducted by PATA.
- Director Kloppenburg stated that GHRA also spearheaded a different study but the end result when you compared the two was close. He suggested that these reports would be a good place to start.
- Vice Chairman Baldyga stated that in JMC's budget for FY2013 they've added for a dedicated MICE representative for the GVB Japan Office.
- Director Kloppenburg stated that in what he has observed is that the Marketing Department is in need of additional staff. He added that with Russia on board as our new market and once China starts P. Laguana would need the additional staff.
- Director Kloppenburg recommended that management and the marketing team put together staffing needs.
- Director Kloppenburg stated that Japan is our primary market and shouldn't be ignored.
- GM Camacho responded that it has been recommended for the upcoming budget.
- Director Cristobal stated that Oka Point has been raised as another possible location for the GCEF together with a convention facility.
- Vice Chairman Baldyga stated that convention centers are disconnected from hotels typically don't work as well as convention centers that are within walking distance of the hotels for room breaks and so forth.
- Vice Chairman Baldyga stated that it is his understanding that Skinner Plaza was the Governor's choice.
- Director Saad informed Vice Chairman Baldyga that there was an engineering study done on the flooding by Parsons years ago and suggested that he give them a call.

❖ **ANNOUNCEMENTS**

- P. Laguana announced that she received word that Rick Blas with Guam Olympic Committee is in Moscow and tomorrow Ralph Sgambelluri from the Airport would be going to Moscow. She stated that they are expecting athletes from Russia.

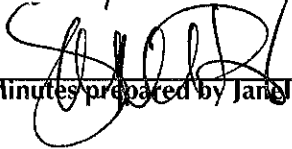
❖ **ADJOURNMENT:**

- o Motion made by Director Arriola, seconded by Director Cristobal, to adjourn the meeting. Meeting adjourned at 5:50 p.m.

Attested:



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



Board Minutes prepared by Janal Perez, Executive Secretary