



REGULAR BOARD MEETING  
GVB MAIN CONFERENCE ROOM, 4:00PM  
THURSDAY; April 26, 2012

**Board of Directors Present:**

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

**Board of Directors Present Telephonically:**

**Board of Directors Absent:**

N. Oscar Miyashita                      Eduardo (Champ) Calvo

**GVB Management and Staff Present:**

Joann Camacho	Nathan Denight	Rose Cunliffe
Debi Phillips	Tony Muna	Laurette Perez
Regina Nedlic	Gina Kono	Brian Borja
Dee Hernandez	Josie Moyer	Sonja Lujan-Sellers
Kraig Camacho	Janel Perez	

**Guests:**            John Blas, Office of Senator Muña Barnes

❖ **Proceedings:**

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

Review of the previous Regular Board minutes dated April 12, 2012.

- o **Motion made by Director Kloppenburg, seconded by Director Cristobal, to approve the minutes of April 12, 2012.**

**Motion approved (subject to correction).**

❖ **Chairman's Report:**

- Chairman Mesa stated that the Guam Chamorro Educational Facility (GCEF) Steering Committee met on Monday and that he was happy to report that GEDA selected the Architect and Engineering firm to start the design and the execution of the museum at the proposed location, which is subject to Legislative action in order to transfer property of Skinner Plaza to the Government of Guam to allow for the construction to begin.
- Chairman Mesa stated that Governor Calvo sent a letter requesting Vice Speaker BJ Cruz to initiate legislation. He added that the GCEF Steering Committee would also send a support letter to encourage and assist in drafting legislation to allow the facilitation of the land transfer, so that the notice to proceed would be given by GEDA to the architect firm to begin the work.
- Chairman Mesa commented that the construction of the GCEF is moving forward.
- Chairman Mesa informed the board that last month he attended the Seatrade Cruise Shipping Convention in Florida.



GUAM

- Chairman Mesa stated that Guam has the potential interest from Royal Caribbean, who is allocating and repositioning significant assets into Asia namely the Legends of the Seas.
- Chairman Mesa added that Legends of the Seas accommodates 3,200 pax that would be repositioned in Asia. He stated that this is in anticipation of potential growth out of China and the emerging Asian markets.
- Chairman Mesa stated that there are four (4) U.S. and one (1) European companies that have repositioned ships.
- Chairman Mesa commented that there is continual growth of cruise ship demand out of Australia.
- Chairman Mesa stated that with the demand it positions Guam as a Trans-Pacific stop between Australia and China. He added that there are ships earmarked to make this route.
- Chairman Mesa stated that Australians are interested in going to China and that the route it would take would be crossing our region. He stated that as Princess Cruises have demonstrated twice this year it would continue to make Guam a continual port stop.
- Chairman Mesa stated that the opportunity is promising and our long-term goal is to have a regional cruise among the Micronesia Islands, which was the purpose of forming the Micronesia Cruise Association (MCA).
- Chairman Mesa stated that Legislative Committee Speaker Judith Won Pat who is Co-Chair of the Association of Pacific Island Legislatures (APIL), would be holding its 31<sup>st</sup> General Assembly Conference on Saipan, CNMI in June. He stated that he has gathered potential speakers for her to invite specifically in the subject of cruise industry and potential cruise for Micronesia.
- Chairman Mesa reported additional growth out of Japan and as investment of interest in Guam continues, the Guam Reef Hotel was bought out by H.I.S. Co., Ltd.
- Director Saad stated that H.I.S. would be spending money to renovate the hotel, such as painting. He added that they've kept management in place.
- GM Camacho stated that she met with Mr. Bobby Haque, President of Guam Reef Hotel Inc. and Executive Director of H.I.S.; Mr. Yasuhiro Kotera, General Manager of Guam Reef Hotel Inc. and New Project Leader of H.I.S.; and Mr. Koji Otsuka, Treasurer/Corporate Director of the Guam Reef Hotel, Inc.
- GM Camacho stated that the only caution is that H.I.S. have only seven (7) more years on the lease. She added they met with Mr. Ada for the first time and discussed ways to come up with something more long-term.
- Director Kloppenburg stated that with the new owners he was concerned due to the loss of a potential PRC hotel for the China market.
- Chairman Mesa responded that the positive news is that the owners of the Former Sherwood and owners of the Guam Aurora Resort are looking into focusing on the Russia and China markets. He added that this would hopefully mitigate concerns on hotel accommodations.

#### ❖ **General Manager's Report**

- GM Camacho stated that MTD arrivals are up 30% compared to last year.
- GM Camacho reported record setting months since 2006.
- GM Camacho stated that Japan visitor arrivals exceeded 2010 numbers by 2% and 27% for 2011.
- GM Camacho stated that the MICE Planning Seminar took place on April 19<sup>th</sup> at the Fiesta Resort Guam with about 50 people in attendance.
- GM Camacho stated that Pilar Laguana, Felix Reyes, and Mark Manglona are currently attending the U.S. Travel Association International Pow Wow in Los Angeles, CA.
- GM Camacho stated that Commerce Secretary John Bryson visited the GVB booth and commented how well Guam is known for its initiatives in Japan, Korea, China, Russia, Hong Kong and Taiwan and that he was interested in visting Guam in the near future.
- Director Kloppenburg added that he was also impressed with Guam's response to the Parole Authority.

- GM Camacho shared photos of PHARE 2012/WHY LOCAL.
- GM Camacho announced that May is Tourism Month and that the Bureau would be having a Proclamation Signing in front of The Plaza Promenade.
- GM Camacho invited all to Merizo GIFT on Sunday, April 29<sup>th</sup> at the residence of Mr. & Mrs. Francisco Champaco.
- GM Camacho stated that she attended the PATA Board Meeting in Malaysia and is officially on the PATA board. She added that she was asked to participate in the Executive Committee but declined, because she felt that she needed to know more about PATA.
- Vice Chairman Baldyga recommended for GM Camacho to participate in the Executive Committee as they take action as oppose to the board which more of a gathering place. He stated that former GVB GM G. Perez was on the Executive Committee.
- GM Camacho stated that last week she received an email regarding Jeju Air. She stated that Jeju Air submitted an official application to fly to Guam.
- GM Camacho stated that she sent a letter in supporting Jeju Air's efforts.
- Chairman Mesa added that the letter of support to PILLSBURY WINTHROP SHAW PITTMAN LLP, Attorneys of GIAA, who is assisting in facilitating Jeju Air's application.
- GM Camacho reminded board members of the HOT Bond meeting scheduled for May 3<sup>rd</sup> at 2:00 p.m. with Governor Calvo and Chief Arriola.
- GM Camacho stated that she met with GHRA earlier today and scheduled the meeting to discuss the hotel rating and hotel occupancy. The meeting is set for June 7<sup>th</sup>.
- DGM Denight stated that he attended the 10<sup>th</sup> Routes Asia Conference in Chengdu, China alongside GIAA. He stated that this trip was sponsored by GIAA.
- DGM Denight stated that they met with twelve (12) airlines ranging from American Airlines, Chinese Airlines as well as LCC in Japan such as AirAsia.
- DGM Denight added that this was a great opportunity to sell Guam and GIAA's benefits and incentives that they could offer.
- DGM Denight stated that he should be receiving a full report from the organizer of the conference and would forward to the board.
- Chairman Mesa stated that this is part of GVB's strategic plan. He added that DGM Denight is working on the strategic plan and would be asking the board to serve and participate in the planning and to finalize it for the next five years.
- Chairman Mesa stated that it was important to partner with GIAA to the Routes Conference and market with them. He stated that in attendance are actual Airline Planners who plan routes up to 5 years in advance.
- Chairman Mesa stated that the movement in meeting with LCCs is the strategy, because if the visa waiver is given to China, the potential of LCCs (if they qualify with FAA regulations and airline certifications), Guam would have a better opportunity of routings in different markets that the Bureau has been engaged with not only Shanghai and Beijing, but with Guangzhou, Chengdu, and Shenzhen, which is the developing area of north China.
- Director Fortino inquired whom the airlines partner with to ensure that all for Guam is regulated.
- Chairman Mesa replied that GIAA has a portfolio that outlines the requirements and fees for landing, etc., and this is provided in the one on one meeting at the conference where they have initial face-to-face contact with the planners.
- Chairman Mesa stated that Jeju Air was the result of GIAA's efforts in supporting the marketing strategy to support the airlines to ensure the planes get loaded out of Busan as well as out of Incheon.
- Director Fortino inquired about United's role.

- Chairman Mesa replied that all charters were initiated by Continental now United, a national carrier that has associated costs and that is the reason why the LCC would be an option to try to bring in more passengers.
- GM Camacho stated as she participated in the PATA meeting and sat in the government section. She added that it is important as a government entity that the tourism bureau whether it is government or non-profit, that all have to be in sync to support travel/tourism.

#### ❖ **Report of the Treasurer:**

##### ○ **Cash Position Report:**

- Cash report as of April 23, 2012.
- Total cash in banks report (as of 04/23/12) \$9,677,502.00
- Total allotment received to date: \$8,469,072.61

- Director Cristobal stated that at the previous board meeting there was discussion about the high cash in banks. She stated that Accounting finally received invoices from Asatsu.
- GM Camacho stated that the Bureau has been very aggressive to receive the fair share of TAF and is on top of it this month. She added that calls have been made to make sure whatever is there that the Bureau is fed properly.
- Director Kloppenburg commented that on the Statement of Revenues and Expenditures under Professional Services, increased from \$285,210 in March 2011 to \$1,509,448 March 2012.
- Director Kloppenburg inquired what was moved into Professional Services.
- R. Cunliffe replied that this item is mainly marketing reps. She stated that she could pull and forward the information if needed.
- Director Kloppenburg heard that the Bureau received the audit report and that an adjustment was made on paper taking 2012 revenue and moving it to cover 2011 shortfall.
- R. Cunliffe responded that there was an audit adjustment of \$1,074,000 to reflect that the Bureau received all FY2011 allotment. She added that the adjustment is for FY2012 allotment.
- R. Cunliffe stated that it's not new money or additional funds.
- Director Kloppenburg questioned if the Bureau was short \$1 million for FY2012.
- Director Saad stated that he was under the impression that as previously discussed the books were closed.
- R. Cunliffe responded that the Bureau could re-program some of the money to FY2012.
- Director Kloppenburg inquired where the money was removed from to put into FY2011.
- Chairman Mesa stated that the auditors reported that there was an allocation from FY2011 that was not fully funded and the Bureau was short \$1 million, that was suppose to be transferred from the TAF fund to GVB, which never happened. He questioned why the Bureau is moving FY2012 into FY2011, when there was no over spending.
- Chairman Mesa stated that the Bureau was shorted the allocation and stayed within the budget restraints.
- GM Camacho stated that the money the Bureau has is being used for FY012 to pay for expenses in the FY2012 budget.
- Director Arriola inquired if the Bureau was paying arrears.
- Chairman Mesa stated that there are no arrears to pay because the Bureau is not short the monies allocated for FY2011. He stated that the actual expenses were covered.
- Chairman Mesa stated for clarification purposes, he questioned if the Bureau is short \$1 million and why move FY2012 for FY2011, because there are no expense unfunded.
- R. Cunliffe replied that the adjustment was made on the books because it was budgeted to FY2011 not FY2012.
- Chairman Mesa stated that the point is that the Bureau is not in the deficit for FY2011 and there is no shortage for 2012.

- R. Cunliffe responded and confirmed that there is no shortage.
- GM Camacho stated that the Bureau is being very cautious and frugal on FY2012 expenditures.
- Chairman Mesa stated for clarification purposes all financial reports to date have reported that appropriations were allotted and based on cash flows, spending practices, and taking 15% reserves. He added that the Bureau is not short.
- GM Camacho responded correct.
- Director Kloppenburg inquired about the 15% reserve.
- GM Camacho responded that the 15% is put in reserves and doesn't transpire until the end of collection, which is in September.
- Director Kloppenburg stated that it's very difficult to make financial decisions from a marketing standpoint and that the programs are being cut.
- Director Saad commented that collections are up.
- Director Kloppenburg stated that the money has been appropriated and that the Bureau might be able to go back and request for a supplemental based on Parole Authority for China.
- Director Kloppenburg commented that the Bureau is moving money on paper, but has a net affect on programs.
- Chairman Mesa stated that everyone is in support of all marketing plans.

❖ **Report of the Board Committees:**

A. **The Strategic Advisory Council:**

- Nothing to report.

B. **Administration/Government Relations:**

- **Motion made by Director Cristobal, seconded by Director Kloppenburg, to approve the submission of the Guam Visitors Bureau FY2013 Budget Request to the 31<sup>st</sup> Guam Legislature. The Bureau is requesting \$18,299,967.00 for Fiscal Year 2013. Motion approved.**

**Discussion: FY 2013 Budget Request Summary**

- Chairman Mesa stated that the board has not seen all of the committee's strategies, so it could be submitted to support the requested budget amount.
- Chairman Mesa commented that GVB's Oversight Chair is very supportive on the Bureau's requests.
- Chairman Mesa stated the need for support from all Committee Chairs and to highlight where the increased expenditures are anticipated to garner the return in investment.
- Director Fortino inquired when the budget needed to be submitted.
- GM Camacho replied next week.
- GM Camacho stated that the numbers being seen today were from all committees who met and approved their budget. She added that the no adjustments were made.
- GM Camacho stated that initially the Bureau was going to go in and be more cautious with realistic numbers, but with the advice of Senator Barnes, to submit what each committee wants and from there let the Legislature review.
- GM Camacho added that the supporting documents from committee would be packaged for submission.
- Director Kloppenburg inquired on the date of the budget hearing.
- GM Camacho replied towards the end of May. She stated that Senator Pangelinan requested for all budgets by May 1<sup>st</sup>.
- Director Kloppenburg commented that the Bureau should be very well prepared to testify at the budget hearing to justify.

- Director Fortino stated that as going through her breakdown she didn't want to submit as it is. She requested for a side meeting to further discuss the budget.
- Vice Chairman Baldyga inquired if TAF forecast is submitted as part of the budget.
- GM Camacho replied yes.
- Vice Chairman Baldyga responded that he was curious to know if the FY2011 budget is a percentage compared to TAF collection versus this budget.
- Director Cristobal responded that the decision made is based on the forecast.
- Vice Chairman Baldyga stated that the Bureau would be able to give a good argument based on revenues being up as well as expenses.
- GM Camacho stated that this year based on trend, the net collection is 24.2%
- Vice Chairman Baldyga responded that it was higher than last year, which is core point when justifying.
- Director Kloppenburg inquired if bond payments were less than last year.
- R. Cunliffe replied yes and is reduced \$500,000 a month.
- Chairman Mesa stated that he wanted to see the initial forecast.
- GM Camacho replied that annual is \$6.9 million.
- Director Fortino inquired if the money is allocated by line item or market.
- GM Camacho responded that historically it is based on trend of the business by market.
- Chairman Mesa stated that there are strategies in place to increase market share and that Marketing is diligent about managing funds that have been allocated.
- Director Kloppenburg stressed that the Bureau needed to be prepared, because Marketing will be doing programs throughout the year in China.
- Director Arriola suggested working with committees to determine the target such as how many pax from each market.
- Director Fortino commented why spend the money allocated, because doing less is more, with simple clear strategies.
- Chairman Mesa stated to Director Fortino that this was the first draft and encouraged her to meet with her committee again if she thought the numbers being presented are not wise.
- R. Cunliffe stated to the board that the numbers being shown today have already been approved by each committee and that the Bureau is suppose to submit the budget request next week.
- Director Fortino stated that she could potentially reduce her budget if it was needed elsewhere.
- Director Kloppenburg suggested to the board to take time to give up a day and go over each committee.
- Director Arriola stated that there was a letter given to the Bureau with a deadline to submit.
- Director Arriola suggested that the Bureau submit by the May 1<sup>st</sup> deadline. She warned not to get off on the wrong footing with the Appropriation Chair.
- Director Kloppenburg stated that within Marketing's budget of \$11,579,086 and as a board they have the flexibility to move money internally but cannot move money from Marketing to different categories.
- Director Arriola responded that there is an administrative provision in the budget act and if the Bureau needed more flexibility, lobbying needs to happen to request it.
- GM Camacho stated that she would schedule in mid May for the board to review the FY2013 budget.

**Issue:** Board approval required.

**Discussion: Flooding Issue**

- Vice Chairman Baldyga stated that there was suppose to a meeting with the experts on Guam with UOG Civil Engineers and all of those that are aware of the flooding history and what the current situation is, so they could discuss the ideas of what the scope of work should be for the flooding.

- Vice Chairman Baldyga stated that at the last minute it was determined that they shouldn't invite specific people to discuss the scope of work, because they would be precluded by procurement from bidding on the work.
- Vice Chairman Baldyga stated that at the pre-meeting with RW Armstrong, GEDA, and DPW Deputy Director Carl Dominguez they talked for 2.5 hours and ended up nowhere, however at the end they agreed to have a meeting of the experts as originally intended. He added that Willie Flores suggested by phone that there was a similar meeting in GVB years ago where experts were brought in to discuss the flooding.
- Vice Chairman Baldyga stated that they all agreed that GVB should organize a Public Meeting and to place an ad on the paper for a public forum.
- Chairman Mesa responded that this should be under Destination Management.
- Vice Chairman Baldyga stated that the plan is to have the experts in and have an informational gathering session. He suggested that this be planned for May 10<sup>th</sup>.
- GM Camacho suggested that prior to advertising that they should be careful that they don't move forward outside DPW and take the proper steps to inform DPW Director Joanne Brown to have input on how the process should go.
- Vice Chairman Baldyga responded that as courtesy he would have GM Camacho take the initiative to work with the DPW Director, however he stated there still is a need to still bring in the experts because if nothing happens, nothing will happen.
- Vice Chairman Baldyga stated that the meeting on May 3<sup>rd</sup> with Governor Calvo and Chief Arriola was conceptually called after the last board meeting where the intention is to ask for their support on the prioritization and to get everyone involved on the same page, but that this meeting doesn't translate into specific course of action.
- Vice Chairman Baldyga commented that the flooding has been #1 for the past six (6) months and nothing has been done.
- Vice Chairman Baldyga stated that RW Armstrong is of the opinion that the language of the Public Law specifically limits the scope to the Fujita Pump Station. He recommended meeting with the Bond Council to get them off that position.
- Vice Chairman Baldyga commented that he would keep pushing until the flooding issue is resolved.
- Vice Chairman Baldyga requested for board opinion in supporting to hold a public meeting of the experts.
- Director Cristobal stated that there is documentation by GVB of what the issues were and that it didn't specifically state the Fujita Pump Station.
- Vice Chairman Baldyga stated that he met with GM Camacho and would be giving him a copy of the Bond Offering document, which doesn't state anything about the flooding and is general. He added that the bond was sold to investors based on that and is mainly about infrastructure and doesn't specify anything in particular.
- Director Saad questioned why was RW Armstrong taking the position that the issue is the Fujita Pump Station.
- Vice Chairman Baldyga stated that by reading the Public Law to alleviate the flooding in San Vitores Road it stated that "via collecting the water into a storm drain system and installing a pump station at Fujita", which was meant to be limited to the pump station.
- Vice Chairman Baldyga added that it couldn't be limited to the pump station, because logically there is no way that anyone could argue the intent of the Legislature was to put a pump station and still have it flood and couldn't argue that this was the intent. He stated that intent was to alleviate the flooding.
- Vice Chairman Baldyga commented that RW Armstrong didn't have an incentive to take on the scope of work when they could limit the scope of work to this.
- Director Cristobal suggested obtaining clarification from the Legislature's legal counsel.

- Director Cristobal stated that with past experience she has gone through the process that could happen in wee hours of the morning and most of it being un-chaired. She added that legal counsel would be able to translate what they meant when discussing.
  - Vice Chairman Baldyga stated that the positive news from the meeting was that GEDA stated that their office and the Administration want the flooding resolved.
  - Vice Chairman Baldyga stated that at the end of the meeting he asked GEDA if it was limited to the pump station and their response was still a "yes".
  - Vice Chairman Baldyga stated that the meeting on May 3<sup>rd</sup> might take care of it, but wanted the support of the board on the notion that if DPW doesn't take the action that is necessary, the Bureau could take the position to move actively on its own and that this needed to be a decision by the board and not his personal decision.
  - Chairman Mesa asked if anyone had any objections to that strategy to proceed and go through the proper channels in having GM Camacho meet with DPW Director to seek action on this issue and if there were no results then the Bureau would take the position to move forward.
  - All board members present agreed.
  - Director Kloppenburg stated that he has asked the Board Secretary, J. Perez to locate the minutes that he chaired seven or eight years ago. He stated the need to protect the \$11 million that was set aside for the project. *(The requested documents were emailed to Director Kloppenburg the following day).*
  - Director Saad commented that this has been a long overdue issue.
  - Director Kloppenburg commented that this could've been prevented if the hotels were built the way they were instructed and now this has become a private sector problem. He stated the need to protect the funds while the process works itself out.
  - GM Camacho stated that K. Baki would prepare a project sheet before the meeting with the Governor and COS.
  - GM Camacho stated that she would attempt to coordinate a meeting with DPW Director J. Brown along with Vice Chairman Baldyga to bring her up to speed regarding the flooding and to ensure that it's DPW's priority too.
  - Vice Chairman Baldyga stated that he had several motions to bring forth to the table for board approval to mitigate concerns relative to the priority list of HOT projects.
- **Motion made by Vice Chairman Baldyga, seconded by Director Cristobal, to request that GEDA ensures that the \$11.5 million is set-aside and remains reserved for the San Vitores flooding.  
Motion approved.**
  - **Motion made by Vice Chairman Baldyga, seconded by Director Cristobal, to hold a Town Hall Meeting on the issue of the flooding in Tumon in order to identify the history and possible design solutions in relation to the flooding.  
Motion approved.**
  - **Motion made by Vice Chairman Baldyga, seconded by Director Cristobal, to support the idea that the resolution of the flooding was not intended to be limited to the Fujita Pump Station but rather to fix the flooding.  
Motion approved.**
  - **Motion made by Vice Chairman Baldyga, seconded by Director Cristobal, to reaffirm that the flooding remains #1 priority after the GCEF from the Board of Directors under the Destination Management Committee.  
Motion approved.**



**Discussion:**

- GM Camacho asked if DPW has a solution would a Town Hall Meeting still be required.
- Chairman Mesa stated that it would be a contingency.
- Director Saad responded that in discussion with C. Dominguez, DPW does not have a solution.
- Director Cristobal stated that with the contingent, the board has to allow GM Camacho to go through the proper channels.
- Chairman Mesa agreed.
- Director Kloppenburg commented that the flooding is the board's #1 priority.

**C. Executive Committee:**

- **Motion made by Vice Chairman Baldyga, seconded by Director Kloppenburg, to ratify approval to amend previously board approved travel for the Deputy General Manager to attend the 44<sup>th</sup> U.S. Travel Association International Pow Wow in Los Angeles, California during April 21-25, 2012, to reflect the Marketing Officer II attending Pow Wow in place of the Deputy General Manager.**  
**Motion approved.**

**Background:** Delegate change due to scheduling conflict.

**Issue:** Time sensitive and board approval required for travel.

**D. Japan Marketing:**

- Nothing to report.

**E. Korea Marketing:**

- Nothing to report.

**F. Existing Markets:**

- **Motion made by Director Fortino, seconded by Director Cristobal, to approve travel for the General Manager and the Chairman of the Board to meet with the Marianas Visitors Authority scheduled for May 8, 2012. (Cost approximately \$779.00, Acct. No. Pacific/SMD-023)**  
**Motion approved.**

**Discussion:**

- Director Fortino questioned if this motion should be coming out of the cultural budget.
- Director Arriola responded that this trip is a destination and not cultural.
- GM Camacho stated that the Administration Dept. does not have a travel budget account.
- Chairman Mesa stated that the purpose for this meeting is to follow up with MVA to what has transpired with the Russia Market and is part of the overall strategic government alliance as strongly requested by the Legislature to continue to bridge potential marketing strategies.

**Breakdown:**

Airfare:	\$272.00 x 2 pax =	\$544.00
Per Diem:	\$117.50 x 2 pax =	<u>\$235.00</u>
<b>TOTAL:</b>		<b>\$779.00</b>

**Background:** Continued collaboration with the CNMI in a joint marketing promotion approach for the region and abroad of the "One Marianas" initiative.

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

**G. New Market Development:**

- Director Kloppenburg stated that Parole Authority has not yet been granted for China. He stated that there is a scheduled meeting this coming week with high-level Cabinet and that on the agenda are Parole Authority efforts.
  - Director Kloppenburg stated that depending how that meeting goes there should be a positive report on the progress of the meeting.
  - Director Kloppenburg added that this is strictly a government meeting with no private sector involvement. He commented that Under Secretary Work would be attending the meeting.
  - Director Kloppenburg stated that the last meeting held went well and is still on track. He hopes to receive better news in the coming days.
  - Director Kloppenburg stated that there is a lot happening with Russia.
- **Motion made by Director Kloppenburg, seconded by Director Arriola, to approve travel for a delegation of four (Vice-Speaker BJ Cruz, 2 GVB marketing & 1 research staff) to attend the 2012 Pacific International Tourism Expo in Vladivostok, Russia scheduled for May 25 – 27, 2012. (Cost approximately \$20,000.00, Acct. No. CI-SMD023).**
- Motion approved.**

**Discussion:**

- Director Kloppenburg stated that originally they were going to have the Governor attend, but after discussion with Marketing, they decided it was best for Vice Speaker BJ Cruz to attend because of his knowledge of the industry since he was former Oversight Chair as well as the current Vice Speaker of the Legislature.
- Director Kloppenburg stated that there would be a large event on the 4<sup>th</sup> of July and that this would be the event for the Governor or Lt. Governor to attend. He added that the USS Blue Ridge, the command ship 7<sup>th</sup> fleet, would be in Vladivostok and that the U.S. Consulate would host a party on that ship and has requested for GVB to support in bringing in entertainers as well as providing Chamorro food on board the ship.
- Director Kloppenburg stated that there would be 300 visitors from the far east of Russia and that this would be a political-type event for the Governor.
- Director Kloppenburg commented that it would be inappropriate to have the Governor go twice in a two-month period.
- Director Kloppenburg stated that Vice Speaker Cruz accepted the invitation to PITE.
- Director Fortino questioned why it was inappropriate to send the Governor twice.
- Director Kloppenburg replied that the Legislature approves the budget and the need for them to know what it is the Bureau is going after, and this would give the Vice Speaker first hand.
- Director Cristobal inquired the reason for the Research staff to attend and not the Chair.
- Director Kloppenburg replied that D. Phillips, Research Manager, would be conducting on-site surveys for the entire event.
- Director Kloppenburg stated that the Bureau doesn't have any history on Russia order to do that they need a technical person to be present.
- Director Kloppenburg asked D. Phillips what type of surveys she would be conducting.

- D. Phillips replied that during that the expo she would be doing a travel trade based research with questionnaires. She stated that she has been working with P. Laguana and G. Kono on questions for them to determine what kind of products they use; information they need to promote Guam, and to determine where they're at with social media and what channels they use.
- D. Phillips stated that the surveys would be similar to what was used in China several years ago.
- Chairman Mesa inquired if GVB has a representative for Russia.
- Director Kloppenburg replied that there was a company that was utilized at the road show last month where they provided a translator and arranged events.
- Director Kloppenburg stated that there would be no presentations at PITE, but a roundtable discussion of about 10-12 top agents from the Far East as well as industry partners.

**Breakdown:**

Airfare:	\$1,500.00 x 4 pax =	\$6,000.00
Per Diem:	\$287.30/day x 5 days Lodging =	\$1,436.50 (Vice Speaker)
	\$148.20 /day x 6 days M&IE =	\$ 889.20 (Vice Speaker)
	\$221/day x 5 days Lodging x 3 =	\$3,315.00 (GVB Staff)
	\$114/day x 6 days M&IE x 3 =	\$2,052.00 (GVB Staff)
Russian Visa:	\$750 x 2	\$1,500.00
Anticipated Expenses:		\$4,807.30
(Excess baggage, long distance communication, etc.)		

**TOTAL EXPENSE: \$20,000.00**

**Background:**

GVB will be lead coordinator for Guam at the 2012 Pacific International Tourism Expo, which is the largest annual travel show in the Far East of Russia. The main objective is to initiate marketing efforts and to bring awareness of our destination to trade and consumers in the Far East. A Guam Presentation for our participating companies is being scheduled to introduce themselves and their product/service to travel agents.

GVB research department's objective is to identify key channels for travel information sources, gauge perceptions and awareness of the Russian travel trade's understanding of Guam as a destination, compile an assessment of travel information required and to establish certain baseline data to be used later to provide a comparison for assessing program impact.

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

- GM Camacho stated that she has a meeting tomorrow with Russian visitors.
- G. Kono responded that the GM and representatives from GEDA and GIAA would be meeting with the Chairman of Tourism Association of the Far East as well as another individual who owns a very large tour company and an Airline Company with a fleet of fourteen (14) planes.
- G. Kono commented that they are very interested in Guam.
- Director Kloppenburg stated that there is a Fam Tour scheduled that KAL is hosting for Russia from May 7-12, 2012 and that twelve (12) people have signed up.
- GM Camacho stated that INS has confirmed to do a briefing for tour agents and committee members.
- Director Kloppenburg stated that there is an opportunity to take advantage of the State Trade and Export Promotion Grant (STEP) that is through GEDA. He stated that GEDA received \$135,000 last year.

- Director Kloppenburg stated that GEDA would be attending PITE along with two (2) local companies, MDA and a Russian Tour company. He added that they're being paid out of this grant.
  - Director Kloppenburg stated that the idea of the grant is to foster commerce for private sectors between new emerging markets. He stated that the Bureau has the opportunity to go after the full amount for China and Russia budgets next year, which is roughly around \$2 million, but that would require a Grant Writer.
  - Director Kloppenburg stated that GEDA doesn't have a Grant Writer and that it would be effective if GVB participated in this, but the Marketing Dept. is overwhelmed with their current work. He stated the need to hire a Grant Writer or find someone within the organization.
  - Director Kloppenburg suggested for management to work with GEDA and go for the full amount.
  - Director Kloppenburg commented that Saipan received \$1 million but lost it because the grant was suppose to be for States or U.S. Territories and that the Congressman from New York was upset that a non U.S. Territory received the grant and had it pulled back. He stated the problem is that Saipan had already spent \$400,000.
  - Director Kloppenburg stated that GEDA has to write it and the Bureau has to assist them in writing it and it's in the way it has to be written. He added that this could pay for GVB travel or membership travel.
  - Director Arriola inquired about the grant deadline.
  - GM Camacho replied that it is due sometime next month.
  - Chairman Mesa stated that in previous years GVB staff attended conferences to sharpen writing skills.
  - Director Kloppenburg responded that the marketing staff is working overtime and that the Bureau doesn't have a staff dedicated to writing grants.
  - Director Arriola recommended advertising an RFP immediately.
- **Motion made by Director Kloppenburg, seconded by Director Tayama, to authorize the General Manager to move forward in obtaining a Grant Writing Specialist for the purpose of applying for the State Trade and Export Promotion (STEP) Grant and other federal funding sources. Motion approved.**
- Director Kloppenburg stated that there were rumors of a Russian asylum seeker. He stated that he has yet to verify and the rumor to be untrue.
  - Chairman Mesa commented that that there is a system in place to try to prevent that from happening.
  - Director Kloppenburg stated that Saipan has been marketing Russia for the past ten (10) years and had three (3) incidents but there was nothing major that happened.

#### **H. Destination Management:**

- Director Saad stated that he had a meeting last Monday to discuss the boardwalk idea with representatives from the following agencies:
  1. Department of Agriculture
  2. Department of Land Management
  3. Department of Parks and Recreation
  4. Bureau of Statistics and Plans
- Director Saad stated that the agencies weren't too thrilled about it. He added that they were concerned with the environmental impact.
- Director Saad stated that there were options available where everyone agreed to have an open-mind about it. He stated they agreed to do one walk and that the next step is to schedule another walk.
- Director Saad stated that there was a meeting with Chief Bordallo and his staff concerning the beach patrol. He stated that the Bureau was advised by Lt. Ron Taitano that the beach patrol was going to be shut down due to personnel transfers.

- Director Saad stated that Chief Bordallo committed four (4) officers for beach patrol, however these officers also have duties in Hagatña and Tamuning. He stated that if there were calls to those locations they would have to tend to those calls.
- Director Saad added that they also discussed bicycles and motorcycles.
- GM Camacho stated that she hopes that they would live up to the commitment on those officers and that GPD would provide a staffing plan to the Bureau sometime next week.
- Director Saad commented that it is crucial to have beach patrol to prevent crimes in Tumon.
- Director Saad stated that last Saturday GVB, GHRA and JGTA joined together for a clean up from Airport Road to Marine Drive at Kmart and down San Vitores Hill. He added that they were overwhelmed with volunteers.
- Director Saad stated that Mayor Blas' office needed to paint walls and he has requested that it be completed this week.
- GM Camacho responded that his office painted the bridge on Monday but wasn't sure if the walls were painted.
- Vice Chairman Baldyga inquired about the crosswalk in front of DFS.
- Director Saad replied that there are two (2) issues with the crosswalk. He stated that the flashing lights have been observed but the problem is that there are pavers on the road and the Louis Vuitton store has steps leading up to the store which indicates that this area is a crosswalk.
- Director Saad stated that the solution is to put railings.
- Director Saad stated that the stop light in the corner of DFS stops all traffic in all direction and pedestrians/tourists are x crossing. He stated the need to put striping on the road and a sign that states "no turning on red".
- Director Saad commented that they have been waiting for that sign for the past few months.
- Vice Chairman Baldyga inquired about putting a stoplight where the lights are flashing.
- Director Saad replied that federal highway stated that the distance is too close to the next traffic light. He added that he spoke to C. Dominguez about that and the recommendation for safety is to install railings to prohibit pedestrians from crossing.
- Director Fortino inquired if there could be a schedule when vehicles could go through to limit traffic in that area.
- Director Saad replied that they use to close San Vitores for music festivals and other events, but there were major issues in diverting traffic because of GPD, GFD, and ambulances who uses the road as secondary access. He stated that this was an ongoing issue.
- GM Camacho stated that she had a conversation with C. Dominguez about friction course and that he would be meeting with his team to discuss the x crossing.
- GM Camacho stated that she would ask him about the "no turn on red" signs as well as a sign for "no walking" through the SDA hill. She stated that if DPW were unable to print the sign, GVB would handle and have DPW install.
- Director Fortino stated that she has discussed with Director Kloppenburg about the bus issue and that he would determine how many busses go through the DFS area. She stated that they are causing the traffic to back up.
- Director Saad commented that at every DMC meeting that issue is discussed.
- GM Camacho stated that the meeting with Chief Bordallo was fruitful and that GVB would invest on some of their programs, but would wait until they commit to having personnel on beach patrol.
- Chairman Mesa responded that you can't put a price on safety and that GVB needs to do what is practical and necessary.

**I. Membership:**

- Nothing to report.

**J. Research:**

- Director Taimanglo thanked Vice Chairman Baldyga for taking the time to sit in the RFP evaluation.
- **Motion made by Director Taimanglo, 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: 2012-002 Japan In-Country Research and, if successful, enter into a contract.**  
**Motion approved.**

**Background:** In accordance with 5GAC Ch.5 Guam Procurement Law, the Bureau issued RFP 2012-002 Japan In-Country Research. The required services will include various research studies in Japan.

**Issue:** Board approval required to proceed with project.

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

- Director Arriola stated that her committee met to discuss the FY2013 budget. She stated that CHaCo budget increase by 37% due to the majority of that being marketing's request for Overseas Cultural Presentations and Community Development Grants specifically for capacity building for local artisans in anticipation for FESTPAC 2016.
- Director Arriola announced that there is a GIFT in Merizo on Sunday and invited the entire board to the Arriola's Merizo Fiesta.

**L. Sports & Events:**

- Director Crisostomo stated that the celebrity runner named for the Toyohorigawa Marathon being held on May 2<sup>nd</sup> is Ray Gibson. She added that this would give great media exposure, as R. Gibson would be doing live radio calls and live updates from the event.

❖ **EXECUTIVE SESSION:**

- Nothing to report.

❖ **OLD BUSINESS:**

- Nothing to report.

❖ **NEW BUSINESS:**

- Nothing to report.


❖ **ANNOUNCEMENTS**

- No announcements.

❖ **ADJOURNMENT:**

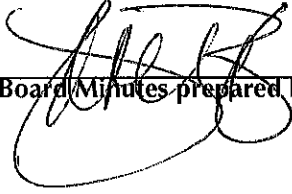
- **Motion made by Vice Chairman Baldyga, seconded by Director Arriola, to adjourn the meeting.**  
**Meeting adjourned at 5:47 p.m.**

Attested:



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



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Board Minutes prepared by Janel Perez, Executive Secretary