

REGULAR BOARD MEETING
GVB MAIN CONFERENCE ROOM, 4:00PM
THURSDAY; May 24, 2012

Board of Directors Present:

Acting Chairman Mark Baldyga	Hope A. Cristobal
Bruce Kloppenburg	Carol Tayama
Theresa A. Arriola	Judy Flores
Eduardo (Champ) Calvo	Nathan Taimanglo

Board of Directors Present Telephonically:

Board of Directors Absent:

Chairman Monte Mesa	Carissa Fortino
N. Oscar Miyashita	Rizk Saad
Jennifer Crisostomo	

GVB Management and Staff Present:

Joann Camacho	Nathan Denight	Doris Ada
Tony Muna	Laurette Perez	Felix Reyes
Brian Borja	Dee Hernandez	Josie Moyer
Mark Manglona	Kraig Camacho	Haven Torres
June Sugawara	Janel Perez	

Guests: Uriah Perez, Office of Senator Muña Barnes; Kaye Lea E. Custodio, Miss World Guam Organization; Jeneva Bosko, Miss World Guam 2012; Tiara Lizama, Miss World Guam 1st Runner Up

❖ **Proceedings:**

Meeting called to order at 4:24 p.m. by Acting Chairman Baldyga.
Review of the previous Regular Board minutes dated April 26, 2012.

- o **Motion made by Director Kloppenburg, seconded by Director Taimanglo, to approve the minutes of April 26, 2012.**

Motion approved (subject to correction).

Introduction of Miss World Guam:

- GM Camacho stated that GVB assisted in sponsoring this year's Miss World Guam Pageant that was held on May 18, 2012.
- GM Camacho presented to the board, Geneva Bosko, 2012 Miss World Guam; Tiara Lizama, 1st runner-up and Kaye Lea Custodio, Pageant Director.

❖ **Acting Chairman's Report:**

- Acting Chairman Baldyga asked for DGM Denight to give the board an update on the 5-year Strategic Plan.
- DGM Denight stated that the Bureau is working with Jay Merrill, who would assist in facilitating strategic planning discussions.
- DGM Denight stated that the initial meeting is scheduled for next Friday to layout the groundwork.

- Acting Chairman Baldyga inquired if the strategic plan is for the industry or GVB or both.
 - DGM Denight replied that it would entail both, but it would be discussed in the planning sessions.
 - Acting Chairman Baldyga stated that the questions for GVB and industry should be:

GVB: What do we do as an organization? Where do we want to go? How do we get there?	Industry: Where do we want to be? How many arrivals?
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 - Director Kloppenburg suggested setting the groundwork; get it going, and laying out how the Bureau wants to execute.
 - Acting Chairman Baldyga stated that a few board meetings ago Director Fortino brought up how GVB self-evaluates itself.
 - Acting Chairman Baldyga suggested as the Bureau works on the strategic plan and through monthly reports, it would be nice to see not only in nominal terms how many arrivals there are but also our penetration as compared to Hawaii and Okinawa and our competitors on an ongoing basis, so we could see at the end of the month, e.g. that YTD our penetration of Japanese had grown from about 5.2% to 5.4% while Hawaii had lowered from 10% (for example) to 9.5% and so forth. This would be a good way to monitor and track our success as an NTO without relying solely on number of arrivals, which can go up and down based on natural disasters and other factors beyond our control.
 - Acting Chairman Baldyga stated to DGM Denight as part of the strategic plan to consider doing a competition analysis and applying targets in the plan against our monthly reporting.
- Discussion on Flooding:**
- Acting Chairman Baldyga reported on the Managing Storm Water in the Tumon Tourist District Public Meeting that was held on May 10th. He added that he had mixed reviews.
 - Acting Chairman Baldyga stated that it was very well attended and that on the issue of process and input he gave it a B+ and the issue of output a D.
 - Acting Chairman Baldyga commented that he left more confused than when he went in, e.g. the first person to speak was Joanne Brown, DPW Director regarding the storm water being pumped up to Marine Drive and dumped into Harmon sink. He stated that GEPA stood up and stated that they looked and studied this and was fine with it, however J. Brown replied that she didn't feel it was acceptable for her.
 - Acting Chairman Baldyga stated that the meeting took 3-hours of circular discussions from 20 different individuals.
 - Acting Chairman Baldyga stated that the positive news was that in the prior meeting with the Governor and COS, they stated that the \$11.5 million would be set aside for flooding and that the flooding is a priority and that the Administration will strongly endorse and support the notion that it is needing more than just the pump station if needed.
 - Acting Chairman Baldyga commented that the Administration is solidly behind GVB.
 - Director Arriola inquired if GEDA knew that.
 - Acting Chairman Baldyga replied yes.
 - Acting Chairman Baldyga asked GM Camacho to obtain a response letter from GEDA to the 3-part motion that he presented at the last board meeting on April 26th. He requested for a definitive response.
 - Director Kloppenburg recommended putting a legal mechanism in place and hypothecating to GVB.
 - Acting Chairman Baldyga asked GM Camacho to investigate.
 - Director Calvo inquired who is responsible for fixing the problem both design and construction.
 - Acting Chairman Baldyga replied DPW.
 - Director Calvo suggested looking at the mechanism to ensure it gets done the correct way. He stated not only on the application but also on the implementation, because over the years DPW has the funds and is in charge of projects, but other things get done and the funds get diverted.

- GM Camacho responded that there is a PMO who oversees the projects, but it's not at the speed we need them to go.
- GM Camacho stated that there are plans for a subsequent meeting with government stakeholders.
- GM Camacho commented that everyone has to work together.
- Director Calvo suggested obtaining oversight and direct involvement in fixing the flooding problem not only in the design but contracting to ensure that it's properly done.
- Acting Chairman Baldyga suggested inviting the PMO and GEDA to the next board meeting, so the board could directly relay their thoughts and concerns.
- Director Cristobal stated that we need to have them look at it more holistically rather than just the Fujita Pump Station, because the intent is to move away from that definition and expand that. She added that it is clear to the Governor that the Tumon Flooding is #1 priority under the GCEF.
- Director Calvo inquired if the PMO or DPW was in charge of the projects.
- Acting Chairman Baldyga replied that the PMO is in charge but DPW is the agency to execute.
- Acting Chairman Baldyga stated that for solution purposes, we should perhaps invite Ken Baki (PMO) and Karl Pangelinan to the next board meeting and together work on a plan.
- Director Calvo suggested hiring a capable and responsible engineering firm to come up with the design solution and hold them to it then have a capable and responsible contractor to fix it and if it is not fixed then call out on the bond or back under the warranties and hold them liable for it.
- Director Calvo stated that it worries him, because there is no accountability and fears the money would be depleted. He added that there is no recourse.
- Director Kloppenburg commented that he liked the idea meeting with GEDA and possibly obtaining an MOU and take ownership.
- Director Calvo suggested talking to GEDA board because the make up of the board are primarily business-oriented individuals that would understand the board's concerns.
- Acting Chairman Baldyga stated that he has not had direct communication with K. Pangelinan.
- Director Calvo responded that he's off-island and possibly to schedule meeting with him next week when he returns.
- Acting Chairman Baldyga and Director Calvo both agreed to meet with K. Pangelinan to discuss and then invite him to the board meeting along with K. Baki (PMO) to express concerns as a board.

❖ **General Manager's Report**

- GM Camacho gave a preliminary preview of her report as the board was awaiting Director Calvo's arrival.
- GM Camacho reported total arrivals for the month of April 2012 is up almost 24%; FYTD at 8.2% and MTD from May 1-6, 2012 up 16.7%.
- GM Camacho stated that there is positive news out of Korea with Jeju Air looking into Guam very seriously.
- GM Camacho stated that currently the Governor is in Okinawa for a Trade Mission along with Director Miyashita who went along at his own expense and as a business partner.
- GM Camacho reported that the Hana Tour International Travel Fair in Korea went well. She added that in attendance was Roanld Su, General Manager of Aurora Resort.
- GM Camacho stated that there were meetings with Jeju Air's Management team, where they mentioned that there are plans to launch first Guam flight on October 1st. She added that Jeju Air's Operation team arrived on Guam to meet with the GIAA's Operations team regarding fuel, space, catering, etc.
- GM Camacho stated that during the Korea Overseas Travel Fair (KOTFA) there is a meeting scheduled with Jeju Air's Management team.
- GM Camacho expressed the importance to continue the marketing promotions for all markets.

- GM Camacho stated that in the Korea market, SBS Plus TV would be shooting a melo-comedy drama titled "Oh my God". She added that they would shoot two episodes on Guam and that the estimated media value is about \$396,000.
- GM Camacho stated that Korea and Japan markets have already begun promoting the Ko'Ko' Road Race.
- GM Camacho reported that GVB participated in the 25th Annual Scuba Show and was joined by six Micronesian partners: Kosrae Visitors Bureau, Kosrae Village Resort, Sam's Tours-Palau, Truk Stop Resort, Fish N Fins-Palau, and Yap Dive Resort.
- GM Camacho stated that last week GVB Management and Team welcomed the Korean Air Russia Fam Tour. She stated that the group had a great experience and that GVB would continue to push Russia to Guam.
- GM Camacho stated that GVB participated in the Toyohiragawa Marathon, which was attended by DGM Denight, Kraig Camacho, Comm. Dev. Officer, Miss Naomi Santos, Miss Asia Pacific World Guam, and Ray Gibson, Celebrity Runner. She added that the winning team of this marathon would participate in the upcoming Ko'Ko' Road Race.
- GM Camacho stated that last week GVB held a Proclamation Signing for Tourism Month at The Plaza as well as unveiled GVB's 50th Anniversary Logo, which would be the new corporate logo.



- Director Arriola inquired who created the logo.
- GM Camacho replied GVB's Branding team, RiMS. She added that it has a fresh new look and that the team kept within the same colors as the branding logo.

Social Media Update:

- GM Camacho stated that Jason Lin, GVB's Media Consultant was on-island meeting with the Marketing Team.
- GM Camacho reported that the Global Buzz Guam accelerated in the 1st quarter (Q1) of 2012 and at the same time had strong arrival numbers globally from Jan. to March 2012.
- GM Camacho stated that Q1 had many hits largely driven by major events such as Mitt Romney winning GOP primary in Guam, Taiwanese celebrity Ella wedding photos shoots on Guam, and James Cameron Marianas Trench Deep Dive.
- GM Camacho showed a snap shot of Guam's online reputation where the Bureau is constantly analyzing its investment.
- Acting Chairman Baldyga inquired about the software program that the Bureau signed up for a year ago.
- GM Camacho replied Brandtology.
- Acting Chairman Baldyga asked who has been managing it and how was it working.
- GM Camacho replied the marketing team for each markets and J. Lin and that it was working well.
- GM Camacho shared stats regarding airport entry for Guam. She stated that Guam is ranked #5 in U.S. port entry for January and February.

❖ **Report of the Treasurer:**

○ **Cash Position Report:**

- Cash report as of May 21, 2012.
- Total cash in banks report (as of 05/21/12) \$10,506,618.49
- Total allotment received to date: \$10,326,925.61

- Director Cristobal stated that Laurette Perez with the Accounting Dept. is here to answer concerns that Acting Chairman Baldyga had regarding variances.
- Acting Chairman Baldyga stated that the Bureau has done a good job this year in doing comparisons to prior year, however there were reallocations and reclassifications including under Professional and Contractual Services and that it was hard to compare apples and apples.
- L. Perez responded that in March of 2012 the Bureau spent \$1.5 million in Professional Services opposed to \$285,000 in March 2011. She stated that the preliminary comparative statement showed \$360,000 vs. \$1.4 million in 2011.
- L. Perez stated that Advertising decreased compared to this year about \$750,000 due to a reclassification that was done at the end of the FY and should've been under Professional Services as oppose to Advertising cost.
- Acting Chairman Baldyga stated that his concern was that \$750,000 was in Advertising last year and is now under Professional Services and that Advertising & Printing is now classified under Professional Services which still left about a \$300,000 - \$400,000 gap.
- L. Perez stated that Contractual Services in FY2011, the TAF Special Project was classified under Professional Services and at the end of the FY2011 during preliminary audit it was reclassified to Contractual Services. She added that FY2012 Special Projects is classified as Contractual Services, which is the reason for the huge increase compared to last year.
- L. Perez stated when they closed FY2011 all reclassifications were done as of December 30, 2011, however in December 30, 2012 when they do the comparative it should tie out. She added that they're unable to touch FY2011 due to being closed, because it was done with the audit effective September 30, 2011.
- Director Calvo asked is this was a recommendation by the auditor.
- L. Perez replied yes. She added that when it was expensed it should've been expensed, e.g. Asatsu Advertising Agency, everything Asatsu invoiced to GVB should've been under Professional Services, which was a recommendation of the auditor.
- Director Taimanglo recalled when he came on board that there was a huge move out of Miscellaneous that reflected a 37% decrease.
- L. Perez responded that a portion of that was when they received invoices it was difficult to specify what the item was, so it was booked under Miscellaneous, however this year Accounting has been adamant about classifying the expense to the correct category and that was the reason for the decrease.
- L. Perez stated that Accounting has been a lot more stringent on classifying the invoices correctly.
- Acting Chairman Baldyga suggested in the next several months to create a year-end forecast of where the Bureau projects to be vs. budget by the same categorization or by one single set of categories.
- Director Calvo responded that from a board perspective and to understand where all the changes were made, it would be good to show something in detail for the board incase the board were asked any questions and they could be answer in confidence. He added that it would be good to refer to something as to why changes occurred.
- Acting Chairman Baldyga agreed.
- Director Arriola suggested adding footnotes.
- Acting Chairman Baldyga stated that it would be helpful to see a revised forecast vs. budget and in one set of categories.
- GM Camacho responded that this was not the way GVB budgeted.
- Acting Chairman Baldyga stated that the board needed to be able to report finances as compared to budget or there is almost no purpose to look at the financial reports. He added that the board should be able to know how much GVB budgeted by category or how the markets are performing compared to budget.

- Acting Chairman Baldyga stated the need to know what was budgeted, e.g. Where are we at? What was budgeted? What is the variance?
- L. Perez responded that it's going to be very lengthy. She stated that the way GVB budgets is by program events and is not by General Ledger (GL) accounting, which is the way GVB's financials pull and if they were to put the budget line on one side there's going to be a huge number under Miscellaneous because the GL used to budget is under that category.
- L. Perez added that the way the markets do it and the way Accounting inputs in to the system is by program event, e.g. Sonja Lujan-Sellers has CHaCO events under Japan Overseas category, she budgets \$100,000 and is entered into the system as CPO-001, which is the program event for Japan Overseas. She stated that on the financials it is pulled by GL account and to break it down per market per program event the financial stated would be 5-10 pages long.
- Acting Chairman Baldyga stated that he didn't want to ask the staff to have to make major changes mid-year, but stated that in fairness to the board there really should be a summary snapshot of budget vs. actual and projected year-end broken down by a single set of categories without bulk allocations and categories that don't tie out.
- Director Arriola stated that in CHaCO she sees a comparison, because as Chair she needs to see what's left in the budget.
- L. Perez responded that staff has the ledger and should be able to provide it to their Chair.
- GM Camacho stated that the system that is used by Accounting is the same GovGuam system programmed by project class.
- GM Camacho added that the summary could be done, but might take a lot of work.
- Acting Chairman Baldyga stated that he didn't want to create additional work, but that it would be fair for the board to know where the Bureau is at compared to budget.
- Director Taimanglo inquired if it would be easier for whoever staffs each market puts together the report from what Accounting gives them.
- L. Perez responded they could, because they all have the ledger which they provide each time invoices are turned in to Accounting.
- L. Perez stated that every staff has a ledger on what is being spent.
- Director Kloppenburg asked the type of accounting software program being used.
- L. Perez replied MIP Sage Accounting.
- Director Kloppenburg asked how long has GVB has been using the software.
- L. Perez replied that they've been using the software since she's been employed with GVB and she came on board four years ago.
- DGM Denight added that the version of the software is always updated.
- Director Calvo stated that as a board they needed to see a comparison of budget and actual.
- Director Cristobal responded that the Bureau doesn't have an overspending problem.
- Director Arriola stated that the issue isn't overspending and that the issue is the board should know how programs are going.
- Director Kloppenburg suggested for Director Miyashita to meet with R. Cunliffe to create an identical form that each Chair of each markets receives so that when looked at collectively as a board everyone is looking at the same thing.
- Acting Chairman Baldyga recommended for Director Miyashita to examine the accounting system and process to consider making an adjustment and purchasing accounting software and possibly setting up a new chart of accounts system and categorization for next year that would provide the ability to do budgets, actual and year-end forecasts all in a common format. He added that this does not necessarily have to be done today but should really be done within a year or two, because there simply needs to be a budget that ties in to operating results without disconnects and bulk allocations.

❖ **Report of the Board Committees:**

A. The Strategic Advisory Council:

➤ Nothing to report.

B. Administration/Government Relations:

➤ Nothing to report.

C. Executive Committee:

- o **Motion made by Director Cristobal, seconded by Director Arriola, to ratify approval for Governor Calvo and Chief Policy Advisor Arthur Clark to attend the Guam Trade Mission in Okinawa, Japan from May 21 – 25, 2012. (Estimated travel costs \$8,704.97, Account SMD008).**
Motion approved.

***Note: Change - Only the Governor was sponsored by GVB.**

				No. of days	
Per Diem - Governor Calvo	\$515.00	+30%	\$669.50	5	\$3,347.50
Per Diem - Arthur Clark	\$515.00	+25%	\$643.75	5	\$3,218.75
Airfare	2 pax		\$1,069.36		\$2,138.72
TOTAL					\$8,704.97

Discussion:

- Director Kloppenburg stated that the Bureau is only sponsoring travel for the Governor, which has reduced the travel expenses.
- Acting Chairman Baldyga inquired if Director Miyashita replaced Arthur Clark.
- GM Camacho replied no. She stated that Director Miyashita went along at his expense and as a business partner.

Background: The Governor working with the Guam Economic Development Authority and the Guam International Airport Authority will be conducting a trade mission to Okinawa and the target audience will be companies wanting to explore tourism, construction and agriculture opportunities. A trade seminar titled "Business Opportunities on Guam" as well as an "Introduction to Establishing Business on Guam" will be conducted. The Guam Economic Development Authority will be focusing on business opportunities on Guam as well as encouraging the construction of new hotel facilities. This trade mission will also serve as a follow up to meetings held on Guam with Okinawa businesses that paid a courtesy call to the Governor last year.

Note: In order to accommodate the Governor's request, the Bureau will send only one person to attend the JGTC meeting in June and request that the September JGTC meeting be rescheduled to October. (Ref: BOD 2/23/12 Meeting).

Issue: Time sensitive and board approval required for travel.

- o **Motion made by Director Cristobal, seconded by Director Arriola, to ratify approval of travel for one (1) GVB marketing staff and one (1) Miss Guam to attend the Hana Tour International**

Travel Fair in Ilsan, South Korea during May 18-20, 2012. Cost is approximately \$4,940.00 from the FY2012 Korea Sales Marketing Development Acct# SMD023.

Motion approved.

Airfare (2 pax)	\$750.00 x 2 = \$1,500.00
Per Diem – Lodging	\$920.00 x 2 = \$1,840.00
Per Diem – M&IE	\$600.00 x 2 = \$1,200.00
Miss Guam Professional Fee	\$100.00 x 4 = \$400.00
TOTAL	\$4,940.00

Background: The Hana Tour International Travel Fair is hosted by Korea's top outbound travel agency. Encouraged by the Korea Marketing Committee members – with many attending, this will be the first time GVB is joining the event.

During the 2011 event, more than 45,500 visited the fair and 475 organizations from all over the world were represented.

The fair is a key direct selling and presentation event for overseas destinations and GVB's presence will provide support to its members who will be attending while elevating awareness of Guam to consumers, trade and trade media.

Issue: Time sensitive and board approval required for travel.

- o **Motion made by Director Cristobal, seconded by Director Kloppenburg, to ratify approval of travel for four (4) delegates to attend the 25th Korea Overseas Travel Fair (KOTFA) scheduled for June 6-12, 2012 in Seoul Korea. Estimated cost of travel is \$12,250.00, Account no. KOR-TTC024.**

Motion approved.

Delegation: 4/Pax: 1 KMC Chair, 1 Management (GM), 1 Marketing Manager, 1 Marketing Officer

Airfare @\$700/pax	\$700 x 4 pax	\$ 2,800.00
Per Diem@\$350 x 6 days	\$350 x 6 days x 2 pax	\$ 4,200.00
Per Diem@\$437.50 x 6 days	\$437.50 x 6 days x 2 pax	\$ 5,250.00
TOTAL		\$12,250.00

- GM Camacho notified the board that Director Miyashita would not be going as well as the Marketing Manager. She stated that only herself and one Marketing Officer would be going to KOTFA.
- GM Camacho stated that KOTFA is offering better airfare pricing and that it has been reduced from \$700 to about \$300+.
- GM Camacho stated that she is trying to work with GIAA to send Chuck Ada, Executive Manager or Peter Roy Martinez, Deputy Executive Manager to attend meetings with Jeju Air while in Korea, however she was told that GIAA Board Chairman stated that it was not needed due to Jeju Air coming to Guam.
- GM Camacho stated that she and Director Miyashita both felt this would bring everyone to the table with Management.
- GM Camacho added that the Jeju Air Operations team were on Guam and visited the airport, but were not the top decision makers.
- Acting Chairman Baldyga inquired if it was bad precedent to fund GIAA's travel.

- Director Calvo responded that if the board turned down travel GVB shouldn't interfere with their decision.
- GM Camacho stated that it wasn't the board, but it was the Chairman's decision.
- Director Calvo stated that GIAA should pay for it.
- Director Kloppenburg added that if we step in then we would be overriding the board's decision and that this was the main concern.
- Director Calvo stated that he would be in Korea from June 7-9, 2012 and would possibly be able to attend the meeting with Jeju Air.
- GM Camacho responded that she would give Director Calvo details of the meeting.
- GM Camacho stated that anything the Bureau does we have to start partnering with GIAA in luring airlines as well as investments to Guam.
- Director Arriola responded that there needed to be collaborative effort between both Chairmen's to work on certain projects.

Background: The Korea World Travel Fair (KOTFA) is the largest overseas travel show in Korea in which GVB participates each year to showcase Guam's culture and beauty. GVB has secured booth space and will feature cultural representations of Guam using visual images, cultural song and dance performances and weaving demonstrations along with Miss Guam's appearance at the booth. During KOTFA, GVB will have the opportunity to market Guam to over 100,000 travel industry professionals, buyers, and travel consumers. Cultural performances on the KOTFA main stage and GVB booth will be executed to allow for maximum exposure and reach throughout the event dates. Media interviews, meetings with key travel agents, meetings with the Korea-Guam Tourism Council (KGTC) and other opportunities will also be executed to enhance and elevate Guam's presence and exposure during the event.

Issue: Time sensitive and board approval required for travel.

- **Motion made by Director Cristobal, seconded by Director Kloppenburg, to ratify approval of travel for five (5) delegates to attend the 8th International Forum on Chinese Outbound Tourism (IFCOT) scheduled for June 13-14, 2012 in Beijing, China. (Estimated cost of travel is \$15,000.00 from the FY2012 China Budget Account: CI-TTC075).**

Motion approved.

Airfare (Guam-Beijing-Guam)	\$850.00 x 5 pax	4,250.00
Government Official	\$490.10/day x 1 pax x 2 days	980.20
GVB Senior Management	\$471.25/day x 1 pax x 5 days	2,356.25
GVB Staff (3 pax)	\$377/day x 3 pax x 5 days	5,655.00
Miscellaneous Expenses (visa, excess baggage, etc.)		1,758.55
TOTAL		\$15,000.00

- GM Camacho informed the board of a modification. She stated that initially Senator Ben Pangelinan was invited, but was unable to go. She added that Speaker Won Pat agreed to go, however earlier this week GM Camacho discovered that CW Bordallo would also be able to go and join the delegation.
- GM Camacho stated that the travel expense is lower because the fare is now under \$900.
- GM Camacho stated that the number of travelers might change depending on the Speaker's visa as CW Bordallo already has a visa.
- Director Cristobal inquired if CW Bordallo was paying her way.

- GM Camacho replied no.
- Director Arriola stated that there is only an addition in the number of pax, but no additional monies because airfare is less.
- Acting Chairman Baldyga stated that this was fine given that the China Visa Waiver is of importance to Guam and would be great for CW Bordallo to go along.
- Acting Chairman Baldyga agreed to modify motion to ratify approval for travel of up to five (5) delegates and leave the motion as is.
- All board members agreed.

Background: Since 2003, the Beijing Tourism Administration, UNWTO, PATA China Association of Travel Services; and Ivy Alliance Tourism Consulting Co., Ltd have successfully organized IFCOT. GVB has an opportunity for face-to-face discussion with CNTA on the hot issues in China outbound travel market, share opinions and experiences and build up business relationships. Other participants are senior officials from China National Tourism Administration; Beijing Tourism Administration; China Tourism Association; China Association of Travel Services; UNWTO; PATA; presidents or general managers from the leading tourism groups (i.e. CCT, CITS, CTS, CYTS, GZL, etc.) in China; more than 100 general managers and outbound department managers from leading outbound tour operators and travel agencies all around China; senior officials from the tourism ministry or tourist boards of approved tourism destinations for Chinese citizens; China outbound tourism quality service suppliers; and about 50 travel trade, financial and popular media.

Issue: Time sensitive and board approval required for travel.

- o **Motion made by Director Cristobal, seconded by Director Kloppenburg, to ratify approval of travel for eight (8) delegates to attend the 25th Korea Overseas Travel Fair (KOTFA) scheduled for June 6-12, 2012 in Seoul Korea. Estimated cost of travel is \$25,500.00, Account No. CPO-002.**

Motion approved.

Delegation: 8/Pax: 1 CHO, 1 Miss Guam, 6 Performers (2 Musicians + 4 Dancers)

Airfare @\$700/pax	\$700 x 8/pax	\$ 5,600.00
Per Diem @\$350 x 6 days	\$350 x 6 days x 8 pax	\$16,800.00
Honorariums @4/days	\$100x 4/days x 2/Musicians = \$800 \$50 x 4/days x 4/Dancers = \$800 \$100x 4/days x 1/MGU = \$400	\$ 2,000.00
Miscellaneous	Bus Transportation	\$ 1,100.00
TOTAL		\$25,500.00

Background: The Korea World Travel Fair (KOTFA) is the largest overseas travel show in Korea in which GVB participates each year to showcase Guam's culture and beauty. GVB has secured booth space and will feature cultural representations of Guam using visual images, cultural song and dance performances and weaving demonstrations along with Miss Guam's appearance at the booth. During KOTFA, GVB will have the opportunity to market Guam to over 100,000 travel industry professionals, buyers, and travel consumers. Cultural performances on the KOTFA main stage and GVB booth will be executed to allow for maximum exposure and reach throughout the event dates. Media interviews, meetings with key travel agents, meetings with

the Korea-Guam Tourism Council (KGTC) and other opportunities will also be executed to enhance and elevate Guam's presence and exposure during the event.

Issue: Time sensitive and board approval required for travel.

- o **Motion made by Director Cristobal, seconded by Director Kloppenburg, to ratify approval of travel for a delegation of six (6) pax to participate in the International Forum on Chinese Outbound Travel (IFCOT) in Beijing, China from June 11-15, 2012. Estimated cost of travel is \$19,318.00, Account No. CPO-007.**

Motion approved.

Delegation: 6 pax – 6 Performers (2 Musicians + 4 Dancers)

Airfare	KAL RT \$1300/pax x 6pax	\$7,800.00
Per Diem	\$377 x 4days x 6/pax	\$9,048.00
Honorariums	\$100 x 1day x 2 Musicians = \$200 \$50 x 4/Dancers = \$200	\$400.00
China Visas	\$345 x 6/pax	\$2,070.00
TOTAL:		\$19,318.00

Issue: Time sensitive and board approval required for travel.

D. Japan Marketing:

- Acting Chairman Baldyga stated that JMC is preparing for next year's marketing plan. He added that they're working early with ADK to try to get everything lined up.
- Acting Chairman Baldyga reported that the Japan market would start looking at market share by smaller segment, such as seniors, student groups, MICE, and so forth.
- Acting Chairman Baldyga stated that that Guam captures around 5.2% of outbound Japanese, but that we are so far unable to determine what percentage of seniors, honeymooners, and groups are captured.
- Acting Chairman Baldyga suggested that as part of the strategic plan, the Bureau should begin to look at the penetration and market share of various sub-segments of Japan and set strategic targets by sub-segment.

E. Korea Marketing:

- Nothing to report.

F. Existing Markets:

- Nothing to report.

G. New Market Development:

- Director Kloppenburg stated that there were no updates in regards to China, however progress is still being made. He added that the position statement from DOD should be issued soon.
- Director Calvo asked for Director Kloppenburg's thoughts of what DOD's position statement might say.
- Director Kloppenburg replied that they might take a position of no objection.
- Director Cristobal wanted clarification of DOD's position.
- Director Kloppenburg responded that the Department of Homeland Security has not issued Parole Authority because DOD had concerns.

- Director Kloppenburg added that for the past eight months the team has been working with various levels of the Pentagon and finally got to the right people. He stated that officials have been meeting in the last few months alleviating concerns and reached a level now where it is at the Director's level where everybody could sign off on it.
- Director Kloppenburg added that the FBI also had concerns at the last minute.
- Director Kloppenburg stated that he is still optimistic on China.
- Director Kloppenburg added that Senator Reid also weighed in and wants the same for Nevada and he also called on Under Secretary Work.
- Director Kloppenburg stated that he remains hopeful that the Administration would be releasing positive information from CW Bordallo's office soon.
- Director Kloppenburg stated that P. Laguana and G. Kono are attending the 2012 Pacific International Tourism Expo (PITE) in Vladivostok.
- Director Kloppenburg stated that there is an important event coming up on the 4th of July that is hosted in Vladivostok and suggested that Governor Calvo should be invited.
- GM Camacho added that the U.S. Commercial Services Office is sponsoring the event.
- Director Kloppenburg stated that the event would be on the 7th Fleet Command Ship, USS Blue Ridge. He stated that the U.S. Commercial Services Office would be hosting this big event and asked the Bureau to bring in dancers, Chamorro food, and music.
- Director Kloppenburg asked GM Camacho if she would be able to obtain music sheets in Chamorro from the Guam Symphony in time for the Navy band to learn the music.
- Director Kloppenburg added that they expect up to 300 guests and that Guam would be featured at this 4th of July party.
- GM Camacho stated that she would work on obtaining the music sheets.
- Director Kloppenburg stated that the event is scheduled for July 4th, Independence Day and that there would be a lot of media exposure.

H. Destination Management:

- GM Camacho stated that the next DMC meeting is scheduled for June 7th.

I. Membership:

- Director Kloppenburg stated that the Quarterly Membership meeting is scheduled for June 29th. He stated that there has been a guest speaker selected, but management is awaiting confirmation.
- Acting Chairman Baldyga encouraged everyone to attend the Golden Latte Awards tomorrow afternoon.

J. Research:

- Director Taimanglo stated that the custom forms revisions are moving forward.
- Director Taimanglo stated that the Tourism Satellite Account final reports are in and if anyone is interested in obtaining a copy to contact management.

K. Cultural Heritage & Community Outreach:

- **Motion made by Director Arriola, seconded by Director Flores, to approve travel for Miss Guam and one (1) Management or Staff to attend a joint promotion with United Okayama & United Tohoku in Okayama & Sendai, Japan from June 22-25 & June 27-28, 2012. Estimated cost of travel \$4,359.50.**
 - Account No. CPO-001 \$2,190.00**
 - Account No. AS-ESP-001 \$2,169.50**
 - Motion approved.**

Breakdown is as follows:

Okayama

Airfare Tax (\$40 x 2)	\$80.00
Okayama Miss Guam Per Diem (\$371.00 x 3 days)	\$1,113.00
Okayama Mgmt Per Diem (\$463.75 x 3 days)	\$1,391.25
Okayama Transportation (\$48.00 x 2)	\$96.00
Professional Fee (\$100.00 x 3 days)	\$300.00
TOTAL	\$2,980.25

Sendai

Airfare Tax (\$40 x 2)	\$80.00
Sendai Miss Guam Per Diem (\$373.00 x 1 day)	\$373.00
Sendai Mgmt Per Diem (\$466.25 x 1 day)	\$466.25
Sendai Transportation (\$180.00 x 2)	\$360.00
Professional Fee (\$100.00 x 1 day)	\$100.00
TOTAL	\$1,379.25

TOTAL COST FOR BOTH TRIPS:

\$4,359.50

Background:

United Airlines supports local professional soccer team, which have come to Guam to hold training camps in the previous years. Miss Guam will meet with Okayama & Sendai government officials to further promote Guam as a destination choice to their respective citizens. United is providing Miss Guam's airline ticket.

Issue: Board approval required for travel.

L. Sports & Events:

- Director Calvo was informed that Benny Bello stated that the Masters Games event would be held this summer and inquired if GVB was involved.
- DGM Denight responded that there were initial discussions with B. Bello to bring people from Australia, however GVB has not received a request for support or a formal proposal.
- Director Cristobal inquired why surfing is not promoted on Guam.
- DGM Denight replied that the surfing groups are not interested in promoting and that there are very limited areas to surf. He added that surfing is very territorial.
- DGM Denight stated that he would try to work to develop surfing.
- DGM Denight stated that he had a meeting with the Pacific Islands Club (PIC) about their marathon and to talk about how both parties could work together. He added that the marathon consists of 20/10/5k races and is scheduled for April 2013.
- Director Cristobal inquired about the Olympics being held in London and if there are any participants from Guam and if the Bureau would be sponsoring any participants.
- Director Arriola responded that there are qualifiers from Guam.
- DGM Denight stated that the Guam National Olympic Committee (GNOC) is managing that and that the Bureau hasn't received a request to support.

❖ **EXECUTIVE SESSION:**

- Nothing to report.

❖ **OLD BUSINESS:**

- GM Camacho stated that the Bureau submitted the STEP Grant to GEDA. She added that the Bureau was limited to \$240,000.
- GM Camacho commented that the grant writers did a great job on the submission. She added that she received a copy of the final grant that was submitted to the Department of Commerce and that the selected grant writer wrote the majority of the information on the grant.
- GM Camacho stated that she was hopeful to get the full \$240,000.
- Director Kloppenburg inquired why the Bureau was limited to \$240,000.
- GM Camacho stated that GEDA manages and controls the STEP Grant and that they already had other projects on there. She added that she spoke with Ken Lujan from Small Business Administration (SBA) and that the maximum for Guam is \$600,000.
- Director Kloppenburg responded that he received different information.
- Director Kloppenburg inquired why Guam is limited when Saipan was awarded \$1 million.
- GM Camacho stated that there were tight constraints in getting the grant in, but she was able to submit on time.
- GM Camacho wanted to inform the board that she might be doing an RFP for grant writing assistance due to limited in-house manpower. She added that this would give the Bureau the opportunity to go for bigger grants.
- Director Calvo inquired who was the grant writer for the STEP Grant.
- GM Camacho replied Galaide Group for around \$6,000, which was fair to her based on the time constraint.
- Director Kloppenburg suggested to do research on the available grants specific to tourism.
- Acting Chairman Baldyga agreed for management to do the research and come back in two weeks to determine how to move forward.
- Director Kloppenburg stated that the Bureau shouldn't compete with other non-profits on grants.
- Director Cristobal announced that financial reports are available on GVB's website.

❖ **NEW BUSINESS:**

- Director Tayama stated that DGM Denight met with the Mayor's Council regarding GIFT.
- DGM Denight added that he met with the Mayors to create the schedule with LAM LAM and to engage the Mayors to assist GVB to further enhance GIFT.
- Director Cristobal stated that Vince Reyes from Inetnon Gef Pago contacted her where he is also a teacher at DOE. She stated that he is having a difficult time with Administrative Leave.
- Director Arriola responded that this was a CHaCO issue and suggested for management to meet with Vince Reyes and Vince Leon Guerrero, Special Assistant – Chief Education Advisor. She added that he does a service for Guam by going on GVB trips and he unfortunately has to use his personal leave and sometimes is unpaid for the time.
- Director Arriola stated that DGM Denight would follow up.
- Director Kloppenburg stated that the Bureau had a position on this where this issue came up many years ago.
- DGM Denight stated that he would work with DOE.
- Director Kloppenburg asked for GM Camacho to follow up with the music that P. Laguana requested for. He added that the Blue Ridge specifically requested for Chamorro music.
- Director Kloppenburg stated that P. Laguana attended the Guam Symphony concert recently in which

they were playing Chamorro music. He requested that the Director of the symphony write out the music for the Navy band.

- Director Kloppenburg stated that the band would need to determine what instruments is needed.

❖ ANNOUNCEMENTS

- Director Cristobal suggested that the board send a congratulatory message to Director Crisostomo on her marriage this weekend.
- Director Flores announced that there is a GIFT in Santa Rita this Sunday.
- Mayor Tayama announced that the Agate Mango Festival is on June 9th.
- Director Kloppenburg announced that Jeff's Pirate Cove would be having a memorial for Joe "Uncle Tote" Cunningham this weekend. He added that Uncle Tote did a lot of work for GVB over the years.
- Acting Chairman Baldyga thanked Director Cristobal for taking the lead on the sympathy card for Chairman Mesa.
- Acting Chairman Baldyga stated that in honor of Excellence in Tourism he thanked the GVB staff for a great job.

❖ ADJOURNMENT:

- Motion made by Vice Chairman Baldyga, seconded by Director Calvo, to adjourn the meeting. Meeting adjourned at 5:36 p.m.

Attested:



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



Board Minutes prepared by Janel Perez, Executive Secretary