

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

**Board of Directors Present:**

Chairman Monte Mesa  
Hope A. Cristobal  
Carol Tayama  
N. Oscar Miyashita  
Nathan Taimanglo  
Jennifer Camacho

Vice Chairman Mark Baldyga  
Bruce Kloppenburg  
Judy Flores  
Eduardo (Champ) Calvo  
Rizk Saad

**Board of Directors Present Telephonically:**

**Board of Directors Absent:**

Carissa Fortino Theresa C. Arriola

**GVB Management and Staff Present:**

Joann Camacho  
Laurette Perez  
Nadine Leon Guerrero  
Regina Nedlic  
Dee Hernandez

Tony Muna  
Sonja Lujan-Sellers  
Felix Reyes  
Brian Borja  
Ana Cid

Rose Cunliffe  
Doris Ada  
Gina Kono  
Pilar Laguana  
Janel Perez

**Guests:**

❖ **Proceedings:**

Meeting called to order at 4:00 p.m. by Chairman Monte Mesa.  
Review of the previous Regular Board minutes dated June 28, 2012.

- o **Motion made by Director Flores, seconded by Director Cristobal, to approve the minutes of June 28, 2012.**

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

❖ **Chairman's Report:**

- Chairman Mesa thanked management and staff in coordinating the Vladivostok, Russia Trip from June 30-July 4, 2012.
- Chairman Mesa stated that the 4<sup>th</sup> of July Celebration was cosponsored by the US Consul General Sylvia Curran's office. He added that Lt. Governor Tenorio was apart of the delegation.
- Chairman Mesa stated that on July 10, 2012, Lt. Governor Tenorio made his report in the Guam PDN complimenting the efforts of the GVB management and marketing team, Pilar Laguana and Gina Kono.
- Chairman Mesa stated that it was a well worth event and that possibly it would be an annual event to continue to strengthen US relations with Russia as well as improving and emphasizing the marketability of Guam and Vladivostok's tourism growth.
- Chairman Mesa commented that Vladivostok is a growing and thriving port city, which reminded him of San Francisco, CA with hilly terrains and historical monuments.

- Chairman Mesa stated that there is growth in Vladivostok's infrastructure such as their airports and hotels. He commented that Guam has a much better handle of hotels and that their inventory of hotels are very modest.
- Chairman Mesa reported that there are approximately 2 million people within the region of Vladivostok and in the city there are about 800,000 residents and growing.
- Chairman Mesa stated that he along with Lt. Governor Tenorio and P. Laguana had courtesy visits with the Vice Governor of Primorskiy region, Sergei Sidorov and the Vice Mayor of Vladivostok City. He added that they were both interested to learn from us in developing their visitor markets.
- Chairman Mesa stated that their government is supportive and is interested in arranging with a Russian airline, national airline or Low Cost Carrier (LCC) out of Russia to fly direct to Guam.
- Chairman Mesa stated that in looking at the current platform of KAL, a signature Airline Company at GIAA that has signature service out of Vladivostok, is exploring potential direct route from Vladivostok to Guam.
- Chairman Mesa stated that the US General Consul Curran is keen in supporting and is doing everything within her powers to do what she could on her side. He added that her offices' function is to promote between Vladivostok and a US city or state.
- Chairman Mesa stated that the Bureau has very good rapport with her office. He added that we should obtain continual support from our government to promote Guam.
- Chairman Mesa stated that as Director Kloppenburg mentioned previously during the initial investigation of Moscow, it is no different in Vladivostok in terms of no real organized travel association or tour agents that the Bureau is accustomed to such as Japan, Taiwan, and Korea. He added that during the trip P. Laguana received a list of recommended individuals that are known for good business practice and that she would be exploring that.
- Chairman Mesa commented that it was just not all business. He stated what the marketing team also did to assist in bridging the relationship further is that they arranged a humanitarian visit to the orphanage, which created great media exposure for Guam.
- Chairman Mesa added that the delegation was there to create business but as part of Guam's culture of being hospitable the visit was arranged by the US Consul's office. He stated that the visit was called the Sails of Hope.
- Chairman Mesa stated that the dancers from Inetnon Gef Pago performed for the kids and was tremendously welcomed.
- Chairman Mesa added that Lt. Governor Tenorio also mentioned the orphanage visit in his article. He stated that Lt. Governor Tenorio represented Guam well and has a better understanding of our efforts to grow Russia.
- Chairman Mesa stated he arranged a meeting with Sen. Muña Barnes to follow up on the APIL Conference that was held in Saipan with regards to the cruise development industry for Guam and Micronesia. He stated that he would further discuss under New Business.
- Chairman Mesa stated that he met with GIAA along with GM Camacho. He stated that he was happy to report that Executive Manager, Chuck Ada was very open and cognizant about what's going on, especially with his experience at GHS/Civil Defense and his travels, he sees the shortfalls of the airport where he could mitigate.
- Chairman Mesa stated that C. Ada is responsive to the Bureau's concerns, i.e., transportation in the arrival area, traffic in the departure area, etc.
- Chairman Mesa added that the issues would be addressed expeditiously by working with other government agencies such as those that regulate the security screening such as TSA and FAA, to ensure those project could be funded.
- Chairman Mesa commented that it was encouraging news from GIAA and they're moving in the right direction.

- Chairman Mesa stated that GIAA and the Bureau are following up with route development from the Airline Companies. He added that DGM Denight participated in this year's Route Asia in Chengdu.
- Chairman Mesa stated that with these conferences it gives us an outlook on how the airlines are developing their strategic routes, where they looking into implementing new routes or enhancing existing routes.
- Chairman Mesa stated that he would request copies of the reports of Routes Asia Conference he attended in 2010 and this year's attended by DGM Denight and upon receipt he would share with the board.
- Chairman Mesa reported with regards to the GCEF the Notice To Proceed has been issued to the Architect Team, Laguana & Cristobal.
- Chairman Mesa stated that he spoke with Vice Speaker Cruz who introduced Bill 454 that would transfer administrative jurisdiction for Skinner Plaza from the Guam Legislature to the Governor of Guam, specifically Department of Chamorro Affairs (DCA).
- Chairman Mesa stated that DCA is responsible for the construction coordination of the GCEF.
- Chairman Mesa stressed the need for full board support.
- Chairman Mesa proposed to write a letter to Oversight Chair B. Pangelinan emphasizing the need to bring it forth to the committee. He added that if passed, GCEF would be on track for construction.
- Chairman Mesa stated that the RFP has been issued out for construction and archeological work, however if there are respondents and if selected, the ground cannot be touched until the property is transferred.
- Director Calvo inquired how GVB is involved in the process.
- Chairman Mesa replied that he chairs and DGM Denight sits on the GCEF Steering Committee, which is specifically for GCEF construction.
- Director Calvo inquired if the Guam Museum Foundation had oversight of the GCEF.
- Chairman Mesa replied that DCA from a government standpoint has oversight and that he sits in the committee that drives it.
- Director Calvo inquired if GVB has direct involvement.
- Chairman Mesa replied no other than bond financing. He added that GVB is not involved with RFPs and is handled through the PMO (RWA) and GEDA.
- Chairman Mesa stated that the proceeds are derived from hotel occupancy tax and we need to ensure that it gets executed, being that GCEF would be a sustainable attraction for our visitors.
- Chairman Mesa stated that he met with the new Japan Consul General Shimizu. He added that he was very excited to work with GVB and is very interested in supporting our efforts and growing back the Japan Market.

#### ❖ **General Manager's Report**

- GM Camacho reported that the visitor arrival numbers are 3 to 4 weeks behind due to the resignation of the Arrival Processing Clerk last year. She added that management at the time decided to hold off on a replacement.
- GM Camacho stated that Research would begin interviews tomorrow.
- GM Camacho stated that the arrival numbers should on track by September or before the new fiscal year.
- GM Camacho reported preliminary May 2012 visitor arrivals ended the month at 17.3%; FYTD2012 9.1%; MTD2012 from June 1-8, 2012 17.9%.
- GM Camacho stated that preliminary reports from CBP reported for the month of June 2012, 480+ Russian visitors. She added that CBP numbers are not reflected.
- GM Camacho reported that Japan forecast is showing positive figures.
- GM Camacho reported that United have increased flights from 2 to 4 per week out of Sendai.
- GM Camacho stated that last week she along with Governor Calvo had a courtesy visit with the Congressional Association for Friendship between Okayama and Guam. She added that Okayama made a commitment to donate thirty recyclable trash bins for Tumon.



- GM Camacho stated that Guam welcomed the Charle incentive group, an undergarment manufacturer from Japan with about 4,029 pax. She added that GVB provided welcome letters and banners that were posted from the Hyatt to Westin.
- GM Camacho stated that Delta Airlines is adding additional flights from Narita for the summer season.
- GM Camacho announced that the Hafa Adai Study Tour Welcome Reception is scheduled for July 20, 2012 at 6:30 pm.
- Director Miyashita inquired if the Delta flights are daily flights.
- GM replied yes.
- GM Camacho reported additional charter flights out of Busan.
- Director Miyashita wanted to make note that after Jeju Air's announcement of flights from Korea to Guam; KAL made an announcement that they would be adding extra flights.
- Director Calvo inquired how long KAL would continue the extra flights.
- Director Miyashita replied that it was his understanding through September or October and asked Felix Reyes, Korea Marketing, to respond.
- F. Reyes responded that at this time it is indefinite.
- GM Camacho stated that during the recent trip to Vladivostok, P. Laguana and G. Kono met with KAL's marketing team and announced that because of the new terminal in Vladivostok for APEX in September they have plans to switch to a larger aircraft from Vladivostok to Seoul and in turn would bring in more Russian passengers, which would feed into flights that are continuously arriving.
- GM Camacho reported that GVB would be hosting two Guam Liberators from the U.S. to join in at all the Liberation events. She added that GVB would be hosting a Hospitality Tent during the parade and invited all to come by for refreshments.
- GM Camacho stated that Taiwan the 3<sup>rd</sup> growing market; seats for July and August dipped due to Continental/United having no charters for 2012.
- GM Camacho also reported that Eva Air cancelled charters due to room capacity. She added that marketing continues to work with Eva Air and China Air.
- GM Camacho commented that China Air Manager, Norman Wang would be leaving August 8th and that a new manager would take over.
- Director Miyashita inquired if there should be a concern with Eva Air's cancellation of flights.
- GM Camacho replied that anytime there's a cancellation, it's a concern, but in this case it offsets by other pax coming in.
- Director Calvo commented that the demand is there, but visitors can't book rooms.
- GM Camacho responded that hotel rates also have increased.
- P. Laguana stated that Guam is competing with a few Southeast Asian destinations that are very low priced packages in the market and that Taiwan travelers look for good deals. She added that Guam is not a low deal type of destination.
- P. Laguana stated that what's happening is countries like Malaysia, Thailand, and Indonesia, they are selling really low packages for the summer.
- P. Laguana stated that the price of rooms have increased due to the demand of those willing to pay the price for those rooms whereby traditional Taiwan travelers are not prepared to pay for those prices.
- Director Calvo commented that Taiwan's August forecast showed that it dipped against last year.
- Chairman Mesa responded that the market is looking to increase. He stated that the market perspective in terms of customer, Taiwan travelers are more price sensitive than other markets.
- Director Miyashita inquired about the load factor and that yield is low.
- Chairman Mesa stated Eva Air is looking more into frequency, but the airlines are basing on market demand.
- Chairman Mesa stated that he agreed with P. Laguana that Taiwan travelers are sensitive in price.



- Chairman Mesa added that Guam is going in a different direction by elevating the image and standards. He believes that it would balance out once the summer period is finished and would go back to normal.
- GM Camacho commented that the team continues the marketing efforts in Taiwan with marketing activities such as the KaoHsiung Dream Mall "America Month" and the Breeze Center Guam Event 2012. She added that both events that were sponsored had a Grand Prize giveaway for a Guam vacation package.
- GM Camacho reported upcoming PATA meetings and that there are travel motions on the agenda today for board approval.
  - PATA Micronesia Chapter Tri-Annual Meeting, Aug. 8-10, Chuuk, FSM
  - PATA Travel Mart 2012, Sept. 25-28
  - PATA Annual Board Meeting, Sept. 28-30, Manila, PI
- Chairman Mesa commented that being Malaysia is a competitor; there are reports from Russian visitors that Guam is a cleaner and a better destination.
- P. Laguana stated that UOG Director of Professional & International Programs Cathleen Moore-Linn accompanied the delegation to Vladivostok. She stated the need for the industry to have assistance with the Russian language.
- P. Laguana stated that C. Moore-Linn accompanied the delegation to facilitate discussions about training opportunities.
- P. Laguana stated that UOG would be bringing a professor from Russia from the Far Eastern University and would assist with the expenses to Guam. She added that he would teach basic Russian language to front line employees of the visitor industry.
- P. Laguana stated that partnership discussions entailed having internships from the University in Russia to come here and work at our hotels, shops, and attractions.
- P. Laguana stated that there are academic courses at UOG with formal Russian language classes and cultural courses.
- P. Laguana stated that G. Kono and C. Moore-Linn met with one of the leading and aggressive travel agency that promotes English language tours throughout Russia. She added that they're engaging bookings to test our ability to respond.
- P. Laguana stated that UOG has done really well with their eagerness to expand and develop the Russian Market.
- Chairman Mesa stated that the event in Vladivostok was a great opportunity for Guam and that it should be continued annually. He mentioned that the Prime Minister and all dignitaries from the surrounding cities attended.
- GM Camacho informed the Board that October 4<sup>th</sup> is the confirmed date for a joint meeting with GVB and MVA Board of Directors.
- Chairman Mesa added that the meeting would be in Guam, as they'll be participating in GMIF.
- GM Camacho stated that GVB would be receiving a DOI grant of \$45,000 this year. She stated that the focus is on cultural perpetuation on and off-island.
- GM Camacho stated that next year CW Bordallo and Anthony "Tony" Babauta, would be giving GVB an additional grant to continue to promote tourism in the areas of safety.
- Vice Chairman Baldyga suggested as presented in previous meetings that the numbers are misleading, he stated that it would be nice to see a quarterly report of what percentage of the market we're capturing.
- GM Camacho agreed.

#### ❖ **Report of the Treasurer:**

- **Cash Position Report:**
- Cash report as of July 9, 2012.
- Total cash in banks report (as of 07/09/12) \$11,850,109.30

- Total allotment received to date: \$11,687,454.45
- Director Kloppenburg stated that he thought as mentioned in previous meetings that there would be an encumbered column on the Cash Position Report.
- R. Cunliffe responded that it is reflected on the report.
- R. Cunliffe commented that she received today the last allotment for FY 2012. She stated that after June, July, and September, GVB would not be receiving allotments until the release of the 15% reserve.
- GM Camacho responded that we received one today of \$1 million and that was it.
- Chairman Mesa stated that GVB was 85% funded.
- GM Camacho commented that cash is tight within the government, however TAF collection remains healthy.
- *Copies of the Hotel Occupancy Tax (unaudited) report distributed.*
- Chairman Mesa reported that YTD (Jan-May) collection is at \$11.8 million.
- Chairman Mesa stated that the Bureau is projecting \$21 million and that it's on track to reach that goal.
- Director Kloppenburg wanted everyone to be caution that as he experienced before, where money was being taken from TAF without the Bureau knowing about it.
- GM Camacho stated that based on the allotment release there would be nothing for next three months so there is a need to request the 15% reserve.
- Chairman Mesa proposed to the board to have management draft a letter of request to the Administration for the 15% reserve, so it's documented. He added that we need the full funding, so the Bureau could continue the marketing efforts that we're here to do.
- Chairman Mesa noted that he would sign off on the letter.
- *There were no objections.*
- Director Miyashita stated that he has met with GM Camacho and R. Cunliffe to work on a resolution in adjusting the financial report. He added that he would need more time to research and would report to the board on his recommendation.
- **Motion made by Vice Chairman Baldyga, seconded by Director Kloppenburg, to approve the Cash Position Report as of July 9, 2012.**  
**Motion approved.**

#### ❖ **Report of the Board Committees:**

##### **A. The Strategic Advisory Council:**

- Nothing to report.

##### **B. Administration/Government Relations:**

- Director Cristobal left the meeting to continue her tour inspection with DPW on the Maui Well & North Tumon.
- Vice Chairman Baldyga reported that the San Vitores Flooding is moving forward and that the RFP for flooding mitigation is being prepared.
- GM Camacho responded that the RFP would be published on July 24<sup>th</sup> and closing on about August 23<sup>rd</sup>.
- Vice Chairman Baldyga stated that he wasn't clear what the RFP is for and that he requested from Ken Baki, PMO, if he could see the draft of the scope of work prior to the RFP going out.
- GM Camacho replied that as soon as available she would request a copy for him.
- Chairman Mesa stated that in the board packet is the quarterly attendance report that is submitted to the Governor's office.
- Director Calvo questioned the purpose for the attendance report.



- Director Kloppenburg replied that as stated on the Corporate By Laws, this is a board requirement where you must attend 75% of the meetings or don't miss 3 consecutive meetings.

**C. Executive Committee:**

- **Motion to ratify approval of travel for one (1) GIAA Management to join GVB General Manager in meetings with airlines in Korea and most especially with Jeju Air in Seoul, South Korea during June 8-9, 2012. (Cost is approximately \$1,212.16 from FY2012 Korea Sales Marketing Development Acct#TTC024.)**  
**Motion failed.**

**Discussion:**

- Director Calvo stated that as this was discussed at the previous board meeting and electronically, he did not want to restate his position.
- Director Calvo stated that he didn't think it was right on how it was characterized via electronic communication.
- Director Miyashita stated that he wasn't present at the meeting when it was initially presented to the Board, and that the board received incorrect information. He clarified that it was not rejected by the GIAA board nor presented to the GIAA board and it was a time sensitive matter.
- Director Miyashita added that a decision needed to be made and it was so critical that someone from GIAA needed to attend the meetings with officials (the right people) of Jeju Air to show interest and willingness to work with Jeju Air.
- Director Miyashita stated that it was his understanding that in the past GVB shared expenses with GIAA. He stated that this was brought to his attention that it was critical and he supported it.
- Director Miyashita wanted to ensure that Deputy Executive Manager, Peter Roy Martinez didn't have to personally pay for this.
- Director Miyashita stated that he didn't mind proposing an amended motion to state, subject to requesting reimbursement. He added that if GIAA doesn't pay, GVB should bare the costs.
- Vice Chairman Baldyga clarified the history. He stated that following the Board meeting, upon request of the GM and the Korean Marketing Committee for clarification about GIAA's position, he spoke with GIAA Chairman Ysrael directly to get that clarification. Vice Chairman Baldyga added that Chairman Ysrael stated that it was never presented at board level, and that it was the first he's heard of it.
- Vice Chairman Baldyga stated that based on the sequenced of events that occurred, he had no problem with this since Korea Market and GVB management felt this was important. He added that GVB did not go around the GIAA board.
- Vice Chairman Baldyga stated that he was present at the first Board meeting where it was initially presented and there was a consensus, which he agreed with, that GVB should not be overriding GIAA's position especially if the board was using GVB as a way to get around the GIAA Chairman. However, after speaking with the GIAA Chairman, Vice Chairman Baldyga learned that the discussion at the board meeting was based on completely incorrect information.
- Vice Chairman Baldyga stated that if he had he known that the GIAA Chairman supported the trip then he would have supported the motion instead of having opposed it. He also believes that most of the Board felt the same way. He clarified that this is the reason that he provided full disclosure to the entire Board of all relevant facts and sought Board input even though the matter was actually submitted only to the Executive Committee. Vice Chairman Baldyga stated that he wanted to be certain that the Executive Committee was not seen as a way to bypass Board intent.
- Vice Chairman Baldyga commented that he didn't like the fact when motions are brought to the Executive Committee for approval when it has been declined at board level. He stated that the Executive



Committee is not a methodology for bypassing the board, however he didn't mind supporting the motion based on the full knowledge of all facts.

- Director Calvo stressed that as a board, there are duties to the public as well as membership and the Bureau is not a private company. He stated that there are protocols to adhere to and processes we go through to get things done because everything is about the record.
- Director Calvo stated that it sets bad precedent to pass those protocols because we think something is important.
- Director Calvo questioned why the board and management are scrambling around to obtain approval since GIAA has a board.
- GM Camacho replied that it was time sensitive.
- Director Calvo stated why not GIAA personnel get a hold of their board for approval. He stated that when this was initially presented to the board, the board was told that Chairman Ysrael turned it down and that was the official record at board meeting that the board acted on.
- Director Calvo commented that Vice Chairman Baldyga and Chairman Ysrael have a good relationship, but it sets bad precedent for us to bypass a structure. He added that this is not the board's business, company or private enterprise.
- Director Calvo stated that GVB is a government agency and the process is slower than we like. He added at end of the day it might have been in the best interest of everyone to get it done, but we don't have the luxury as fiduciaries for a public entity to bypass the structure.
- Vice Chairman Baldyga responded that the board had acted under a false impression and that is why he voted against it at that time. He stressed that he didn't want to circumvent GIAA until after we received clarification that it wasn't the case. He also stressed that he exercised great care in ensuring that the Board had full disclosure of all facts.
- GM Camacho stated that in her meeting with C. Ada and Frank Santos, GIAA eluded that their board supported P. Martinez and GVB's efforts to bring Jeju Air to Guam.
- Director Kloppenburg stated that since GIAA board supported it than why didn't they fund it.
- GM Camacho replied that it was due to timing.
- Director Kloppenburg stated that he was under the impression at the first meeting that GIAA board disapproved and that was the reason our board disapproved it.
- Chairman Mesa stated that he didn't attend the first meeting and hearing the history and the opportunity for investment. He stated that the \$1,200 was well invested, which has resulted in the increased seat capacity out of Korea.
- Director Calvo inquired if the money was spent already.
- Director Miyashita replied yes and that P. Martinez personally paid the airfare and GVB paid his per diem.
- Director Calvo stated that there is no motion needed since GIAA supported the trip. He added that at management level GVB should request reimbursement.
- Director Calvo recommended GM Camacho to talk to C. Ada.
- GM Camacho replied that she would work with C. Ada.
- Director Kloppenburg moved to reconsider his vote on the motion to ratify approval of travel for (1) GIAA Management to join GM Camacho in meetings with airlines in Korea and most especially Jeju Air in Seoul, South Korea.
- Chairman Mesa stated that the motion to reconsider could be made only by a member who voted on the prevailing side. Is there a second motion?
- Director Camacho replied that she second the motion.
- Chairman Mesa stated that it was moved and seconded to reconsider the vote on the motion and those in favor say aye, those opposed. The ayes have it. *Director Calvo was not present for this vote.*

- Director Kloppenburg stated that it was misleading when it first came to the Board and is still confused, however he doesn't want it to be perceived that the Bureau doesn't coop in future activities with GIAA. He stated that it is important to maintain the relationship.
- Director Miyashita reiterated that GIAA board did not reject it.
- **Motion made by Director Kloppenburg, seconded by Director Camacho, to ratify approval of travel for one (1) GIAA Management to join GVB General Manager in meetings with airlines in Korea and most especially with Jeju Air in Seoul, South Korea during June 8-9, 2012. (Cost is approximately \$1,212.16 from FY2012 Korea Sales Marketing Development Acct#TTC024.)**

**Motion approved.**

Airfare (1 pax)	\$337.16
Per Diem – Lodging	\$575.00
Per Diem – M & IE	\$300.00
<b>Total:</b>	<b>\$1,212.16</b>

**Background:** Jeju Air is a low cost carrier based in Seoul, Korea interested in developing a regularly scheduled flight from Incheon, Korea to Guam starting October 1, 2012.

GVB has been very active in pursuit of additional air carriers from Korea, which translates to additional seat capacity and ultimately increased arrivals Jeju Air's entry into the market will expand the travel options for travelers.

Together with GVB and GIAA Management both will meet with Jeju Air's Management Key Logistics, and Planning Personnel to discuss and find ways to ease the certification process and to express commitment and support of Jeju Air's intentions.

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

#### **D. Japan Marketing:**

- Vice Chairman Baldyga reported that ADK is preparing for next year's campaign. He stated that last year the focus was on BS TV local televisions and that the contents would be used.
- Vice Chairman Baldyga stated that would also focus more on MICE.
- Vice Chairman Baldyga stated that in the coming year the new campaign idea is "Lovers in Guam", where as Guam is not just for weddings or honeymoons, but a place where mom and dad could fall in love again. He added that father and mother or seniors could take a second honeymoon.
- Vice Chairman Baldyga stated that Guam is just not for lovers but for sports lovers, shopping lovers, beach lovers, etc.
- Vice Chairman Baldyga commented that the graphics are good and that ADK is moving forward.
- Vice Chairman Baldyga stated that he would be traveling to Tokyo, Japan for the quarterly JGTC meeting.
- Chairman Mesa commented that members are eager to participate in this year's JATA.
- N. Leon Guerrero responded that the notices would be sent out to members.
- N. Leon Guerrero stated that she was happy to report that the new team at ADK has caught up on their billing.
- Chairman Mesa suggested for GVB to create its own forecast out of Japan instead of relying on DFS' forecast.
- Vice Chairman Baldyga replied that he would make that request to JGTC.



- o Motion made by Vice Chairman Baldyga, seconded by Director Kloppenburg, to approve travel of one staff to attend the Kashiwa to continue training of the Miss Guam from July 27 – 30, 2012. (Account number SMD008, Estimated Cost of Travel \$2,170.00).

**Motion approved.**

Airfare: 1 pax	\$700.00
Per Diem: \$490 x 3 days	\$1,470.00
<b>TOTAL:</b>	<b>\$2,170.00</b>

**Background:** During the board meeting on June 28, 2012, travel for the Deputy General Manager and Miss Guam was approved for the Kashiwa Festival. A call out was conducted for the Miss Guam. The names submitted have great possibilities for this particular festival; unfortunately, the names submitted have never traveled on a GVB trip. Therefore, the participating staff will be required to train the Miss Guam in protocol and business etiquette.

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

#### **E. Korea Marketing:**

- Director Miyashita stated that Jeju Air would be sending executives to Guam next week. He added that on Sunday the COO and CFO of Jeju Air would be meeting with ground handlers, GIAA and GVB.
- Director Miyashita stated that GVB would be hosting a luncheon and GIAA dinner. He added that there would be a courtesy visit with Governor Calvo.

#### **F. Existing Markets:**

- o Motion made by Director Taimanglo, seconded by Director Kloppenburg, to approve travel for the GVB Marketing Manager and Marketing Officer to attend the 3<sup>rd</sup> PATA Micronesia Chapter Tri-Annual Meeting in Chuuk, FSM from August 7-10, 2012 (Travel cost estimated at \$2,940.00 from FY2012 Pacific PATA Micronesia Chapter meetings Account #PA-SMD024)

**Motion approved.**

Airfare	\$750 x 2 pax	\$1,500.00
Per diem (Lodging/MIE)	\$190 x 3 days x 2 pax	\$1,140.00
Misc Expense/Transportation etc.	\$300	\$300.00
<b>TOTAL:</b>		<b>\$2,940.00</b>

**Background:** The Guam Visitors Bureau is an active member of the PATA Micronesia Chapter. The bureau also chairs the PATA Micronesia Marketing Committee and is an active member of all committees of the chapter. The Micronesia Branding is also under the responsibility of the marketing committee. The chapter will discuss regional and marketing work at the upcoming PATA Travel Mart in Manila Philippines. In addition to the upcoming programs, the chapter will also be giving updates on various activities to include the brochure production, the upcoming chapter elections in December on Guam, PATA chapter membership drives and many other ongoing programs.

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

- o Motion made by Director Taimanglo, seconded by Director Kloppenburg, to approve travel for the General Manager, Marketing Manager and Marketing Officer to attend the PATA Travel Mart and PATA Annual Board Meeting in Manila, Philippines from September 25-30, 2012 (Travel cost



estimated at \$5,334.75; from the FY2012 Pacific PATA Travel Mart Account #PA-SMD026 and the GM's travel from PATA Annual Board Meeting Acct# PA-SMD025)

**Motion approved.**

Airfare	\$650 x 3 pax	\$1,950.00
PATA Travel Mart 2012 - Sept 25-28 (MM/GV Staff)		
Per diem (Lodging & MIE)	\$237 x 4 days x 2 pax	\$1,896.00
PATA Annual Board Mtg. Sept 28-30 (GM)		
Per diem (Lodging & MIE + 25%)	\$296.25 x 3 days x 1 pax	\$888.75
Misc Expense/Transportation/etc.	\$600.00	\$600.00
<b>TOTAL:</b>		<b>\$5,334.75</b>

**Background:** As an active member of PATA, the bureau has participated in the PATA Travel Mart for several years and has actively promoted Guam and Micronesia. The signature Travel Mart is the leading Asia Pacific travel contracting and industry sales networking event. The bureau works with potential PATA certified travel buyers to create new travel packages to Guam and the Micronesia region. It attracts 1,000 delegates from all over the world. Buyers and sellers are very pleased with the results through PATA's pre-scheduled and quality controlled buyer and seller appointments. The travel mart has been able to attract buyers from our core markets to include China and Russia. Following PTM2012 the General Manager will arrive in Manila to attend the PATA Annual Board meeting. The GM is an active board member representing Guam.

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

**G. New Market Development:**

- Director Kloppenburg stated that there was nothing additional to report but that the China Visa Waiver efforts is continuing to move forward.

**H. Destination Management:**

- Director Saad stated that the Sheraton Resort expressed concerns regarding the streetlights. He stated that he followed up with K. Baki, RW Armstrong, received confirmation via email that the streetlights are included as part of GPA's budget.
- Director Saad stated that on July 10<sup>th</sup> the Ypao Beach Lighting IFB was sent to GEDA. He stated that it would take them 5 to 8 days to review and thereafter would be published in the Marianas Variety by the end of month.
- Director Saad stated that his committee is still working on CAPE. He stated that Sen. Muña Barnes called for a meeting tomorrow at 2pm with GVB, GPD, and stakeholders to address visitor safety.
- Director Saad reported that GPD Beach Patrol confirmed that they are doing daily patrols in Tumon and East Hagatña from 7am to 5pm.
- Director Saad stated that Willie Flores/MAEDA answered the questions that he had regarding the proposal for the San Vitores culverts. He spoke to Carl Dominguez and stated that he was extremely busy this week and would discuss with his engineer and also follow up with MAEDA next week.
- GM Camacho stated that there was a walk through today to inspect the Maui Well. She added that there would be a meeting scheduled to finalize the analysis on the culvert camera and approve the expenditure for funding.
- Director Saad stated that there was an idea to use light poles instead of sign poles for safety signs near JFK High School. He added that DPW authorized approval today to use the light poles.

- Director Saad stated that he met with JGTA last week because they had major concerns with the safety of tourists and sirens. He promised JGTA that he would attend next month's meeting to give updates and hopefully to give them concrete solutions from the upcoming meeting with Sen. Muña Barnes.
- Chairman Mesa stated that he has asked GM Camacho to address the funding source within management's account for the installation of cameras and sirens.
- GM Camacho replied that she would identify.
- Director Saad requested to meet with GM Camacho next week to discuss.
- GM Camacho agreed.
- Director Miyashita commented that there is so much to take care of and nothing has been done due to funding issues.
- GM Camacho stated that GPD has provided specs and both GPD and DHS/Civil Defense are working on the scope of work for the cameras.
- Chairman Mesa stated that one of the mandates that GPD, DHS/Civil Defense, and DPW have some of their own funds that are earmarked for safety and budgeted under some of the federal funding that have yet to be executed. He added that he's spoken to GM Camacho about leveraging, because projects have not been implemented.
- Chairman Mesa suggest for management to somehow identify funds, which we know is difficult and there is not enough money and to possibly request for sponsors.

**I. Membership:**

- Nothing to report.

**J. Research:**

- Director Taimanglo presented the draft version of the new customs form.
- Chairman Mesa added that there are specific questions on the form.
- GM Camacho stated that she has had several meetings with Customs and Quarantine and that she would schedule a meeting in next three weeks with government stakeholders who use the form for their input.
- GM Camacho stated that they are looking into shortening the form and would ensure to continue to capture the information that the Research Dept. needs to support tourism numbers.

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

- Director Flores announced that FESTPAC 2012 would be ending on Saturday. She stated that there is a live broadcast and at the final event this year's FESTPAC organizers would be handing the flag to Guam for the FESTPAC 2016.

**L. Sports & Events:**

- **Motion to approve travel for Governor and First Lady Calvo to lead the Guam delegation at the XXX Olympiad "2012 Olympic Games" held in London. Provided that the funding source is from the 15% "reserve" Sports Budget and that GVB Management sends a letter to the Guam National Olympic Committee and copying the International Olympic Committee requesting reimbursement of the costs. Dates of travel: July 23-31, 2012. (Estimated cost of travel \$14,944.20).**
- **Motion amended by Director Calvo, seconded by Director Taimanglo, to approve travel for Governor and First Lady Calvo to lead the Guam delegation at the XXX Olympiad "2012 Olympic Games" held in London. Dates of travel: July 23-31, 2012. (Estimated cost of travel \$14,944.20).**

**Amended motion approved with (1) opposed.**



**Discussion:**

- Director Camacho stated that this was tabled at the last board meeting with conditions to contact GNOC. She stated that she has made several attempts to contact Rick Blas and has been unsuccessful. She informed Chairman Mesa and Vice Chairman Baldyga on her attempts.
- Director Camacho stated that at her Sports meeting yesterday, they had a lengthy discussion, which resulted in amending the motion.
- Director Kloppenburg stated that GNOC should pay for it and not GVB.
- Chairman Mesa stated that he bumped into R. Blas and asked him if GNOC could fund the trip and his answer was that he could have, but the deadline to submit the request and schedule weren't processed in the time frame it needed to be. Chairman Mesa commented that someone dropped the ball.
- Chairman Mesa stated that arrangements were done six months ago and that the Governor is representing Guam in an international forum and the request to fund the trip is on our table for consideration and approval.
- Director Calvo commented that this is separate from the Executive Committee motion.
- Director Calvo stated that the Governor is separate from GNOC and we don't know the reason why GNOC is unable to fund, but somehow someone applied for the Governor to attend because you just don't automatically obtain credentials.
- Director Calvo added that the Governor is the leader of Executive Branch and he was invited. He added that he would be issued special seating and the ability to interact with other leaders, so it's important that he goes and important for GVB to support.
- Director Calvo stated that GVB should fund unconditionally and that it is an insult to make it conditional.
- GM Camacho stated that Director Camacho had two rounds with the Sports Committee and at the first meeting they declined the motion and at yesterday's meeting GM Camacho appealed before the committee for reconsideration. She added that given all funding the Bureau has, we are tapped out unless the 15% reserve is released.
- Director Calvo responded that if Sports is unable to fund it than fund it should be funded out of the Marketing fund. He stated that time is of the essence and management must find a way to get it funded as well as making a request for the 15% reserve, but not making it a condition.
- Director Calvo commented that it's all about marketing Guam.
- Director Calvo proposed to amend the motion to remove the condition.
- Director Calvo stated that travel should be funded by GVB and that GVB to request for the 15% reserve and to also request to GNOC to reimburse GVB.
- Chairman Mesa commented that we've established earlier in the meeting that we are going after the 15% reserve.
- Director Kloppenburg agreed that the Governor should go, however the board is fully aware that Destination Management is in need of additional funding for projects that are on hold, because of no funding. He stated that the trip should be funded by GNOC.

Airfare:	2 pax x \$3,742.95	\$7,485.90
Per Diem:	Gov. Calvo - \$648.70 x 9 days	\$5,838.30
	First Lady – (M&IE only) \$180.00 x 9 days	\$1,620.00
<b>TOTAL:</b>		<b>\$14,944.20</b>

**Background:**

The Governor and First Lady Calvo have requested GVB to support their travel to the 2012 London Olympic Games.

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



❖ **EXECUTIVE SESSION:**

- Nothing to report.

❖ **OLD BUSINESS:**

- Nothing to report.

❖ **NEW BUSINESS:**

- **Motion made by Director Taimanglo, seconded by Director Kloppenburg, to authorize the General Manager as Chief Procurement Officer of the Bureau to enter into a contractual agreement with the lowest most responsive bidder in accordance with IFB 2012-002 for the production of reusable bags for the Bureau.**

**Motion approved.**

**Background:** In accordance with 5GAC Ch. 5 Guam Procurement Law, the Bureau issued IFB 2012-002, Production and Delivery of Promotional Polypropylene Non-Woven Reusable Bags.

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

- Chairman Mesa stated that as the Bureau finalizes the FY2013 budget one of the marketing strategy is the cruise market. He stated that there was an adhoc committee that was put together, but would like to have it identified as a regular standing committee because this being another opportunity to create another mass of visitors to Guam.
- Chairman Mesa stated the need to increase port calls. He stated that at the moment, GVB doesn't have an arm to go and pursue marketing and invite port calls.
- Chairman Mesa commented that Guam has been lucky so far. He stated that the Ship Companies handling the itineraries have been informing GVB of upcoming cruise ship arrivals.
- Chairman Mesa stated that GVB needed to be more aggressive towards the cruise ship companies and to make it part of the strategic plan as Asia continues to develop.
- Chairman Mesa stated that this would be different from the Micronesia Cruise Association (MCA). He added that MCA is for the region and not Guam.
- Chairman Mesa stated that Guam is the bridge point for expanding Micronesia such as what we're doing by going after the airlines and adding additional flights to Guam. He added that GVB should pursue cruise ship companies to make Guam a port call and bring critical mass as it's now the trend that more ships are being deployed to Asia and looking for new destinations.
- Chairman Mesa reported that there are transpacific routes in Australia at the moment and is a growing market for cruising to Asia. He stated the need to elevate the awareness for Guam to be a port call.
- Chairman Mesa stated that adding a committee for cruise ship would be a GVB function in the marketing field, to go out and build relationships in hopes that the end result would be that in the next 5 years for Guam to have port calls.
- Chairman Mesa stated that the committee would be called Guam Cruise Marketing Committee.
- Director Flores inquired if he suggesting for a new committee.
- Chairman Mesa replied yes.
- Director Miyashita responded that it should be a subcommittee under New Markets.
- Chairman Mesa responded that New Markets is focused more to new air routes.
- Director Miyashita responded that GVB would need to hire additional staff. He felt that it shouldn't be a new committee and he would rather see a new committee for Russia or China market.
- Chairman Mesa stated that management would be unable to pursue the cruise ship marketing efforts if

it's not a directive from the Board.

- Director Miyashita inquired if management is in support of this.
- GM Camacho replied that they need Board directive.
- Director Kloppenburg agreed with Director Miyashita that it should be a subcommittee of New Markets, and as it evolves then it could be a committee on its own.
- Chairman Mesa agreed and recommended for management to develop the Guam Cruise Marketing Subcommittee under the New Markets Committee.

❖ **ANNOUNCEMENTS**

- GM Camacho announced that the Pacific War Exhibit would be hosting a tourism night on Monday, July 16, 2012 from 6pm - 9pm.
- Vice Chairman Baldyga announced that on July 21<sup>st</sup> is the first anniversary of The Beach Bar & Grill and on the same day Katchafire would be performing. He added that anyone who's interested in attending to let him know.

❖ **ADJOURNMENT:**

- **Motion made by Director Miyashita, seconded by Director Kloppenburg, to adjourn the meeting. Meeting adjourned at 5:50 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