



GUAM VISITORS BUREAU

50th ANNIVERSARY • 1963 - 2013

**REGULAR BOARD MEETING
GVB MAIN CONFERENCE ROOM, 4:00PM
THURSDAY; September 13, 2012**

Board of Directors Present:

Chairman Monte Mesa
Hope A. Cristobal
Carissa Fortino
Rizk Saad
Jennifer Camacho
N. Oscar Miyashita

Vice Chairman Mark Baldyga
Bruce Kloppenburg
Judy Flores
Nathan Taimanglo
Eduardo (Champ) Calvo
Carol Tayama

Board of Directors Present Telephonically:

Board of Directors Absent:

Theresa C. Arriola

GVB Management and Staff Present:

Joann Camacho
Laurette Perez
Kraig Camacho
June Sugawara

Nathan Denight
Dee Hernandez
Regina Nedlic
Meriza Peredo

Doris Ada
Pilar Laguana
Felix Reyes
Debi Phillips

Guests:

❖ **Proceedings:**

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

Review of the previous Regular Board minutes dated August 23, 2012.

- o **Motion made by Vice Chairman Baldyga, seconded by Director Fortino, to approve the minutes of August 23, 2012.**

Motion approved (subject to correction).

❖ Chairman's Report:

- Chairman Mesa reported that the museum bill had passed and an RFP will be put out for the construction once the preliminary survey of the engineering design and archaeological surveys had been submitted. He added that hopefully this will be done by January 2013.
- Chairman Mesa reported that the oversight Chair presented a resolution in regards to supporting the Russia Visa waiver program and sending to Senator Wilson to encourage the Secretary of Homeland Security Janet Napolitano to execute her administrative authority to implement China Visa waiver.
- Director Saad stated that discussions with the Police Department should start taking place and see the alternative places for the Agana lockup as it is an eye sore to that area down there.
- Chairman Mesa responded that it is a part of the plans with the Hagatna Restoration and Renovation Committee, Dept. of Chamorro Affairs working with the State Preservation Trust and the Guam Historic Preservation. It is also being worked out with the Federal government because there is some federal jurisdiction on it.

❖ General Manager's Report

- GM Camacho commended the Research department for data being brought up to speed.

Preliminary August 2012 Visitor Arrivals
Total: 133,205 (10.3%)

% Market Mix	Origin	Pax	% to LY
74.0%	Japan	98,625	13.9%
13.7%	Korea	18,213	2.7%
3.6%	US/Hawaii	4,808	-12.0%
3.4%	Taiwan	4,567	-3.9%
0.8%	China	1,037	79.7%
0.3%	Russia	364	1633.3%

Source: Guam Customs Forms, Compiled by the Guam Visitors Bureau

FYTD2012 Arrivals
October 2011 - August 2012
Total: 1,160,178 (10.8%)

% Market Mix	Origin	Pax	% to LY
71.5%	Japan	829,052	11.0%
13.1%	Korea	152,483	13.6%
5.0%	US/Hawaii	58,330	5.6%
4.0%	Taiwan	46,262	25.3%
0.7%	China	8,417	48.3%
0.2%	Russia	2,618	411.3%

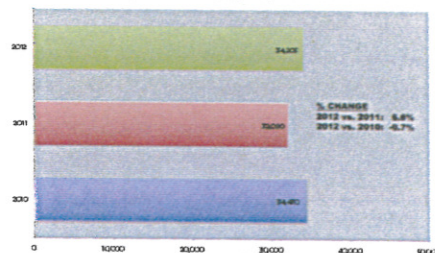
Source: Guam Customs Forms, Compiled by the Guam Visitors Bureau

MTD2012 Arrivals
September 1 - 12
Total: 45,372 (10.2%)

% Market Mix	Origin	Pax	% to LY
75.4%	Japan	34,206	8.6%
12.5%	Korea	5,678	28.2%
4.3%	US/Hawaii	1,943	29.8%
3.2%	Taiwan	1,452	9.3%
0.3%	China	135	19.5%
0.4%	Russia	195	1292.9%

Source: Chillon Air Arrivals Only, Guam Customs Forms, Compiled by the Guam Visitors Bureau

MTD Japan Arrivals, September 1 - 12



Source: Chillon Air Arrivals Only, Guam Customs Forms, Compiled by the Guam Visitors Bureau

Korea Market

3 month Forecast

Month	Forecast Feb	Last Year	%Change	Best Forecast 12	Best Data 11	% Change 5mts
September	16,500	16,500	43.3%	20,695	14,240	44.6%
October	17,700	16,606	65.5%	26,821	14,568	68.1%
November	20,000	17,100	91.5%	32,263	16,136	160.1%

— *John V. D'Emilio, author of* *Our Man: A Life of John F. Kennedy*

Flight

Departments:

- **RE Flight:** loc: 44000 ? ac: 440000 = 2,000
(3773-404, 3777-4000)
- **Int. Air:** loc: 44000 ? ac: 440000 = 2,000
(3773-4000)
- **Int. Air Alt (277):** loc: 44000 ? ac: 440000 = 2,000
(3773-4000)
- **RE Cabin Flight:**
- **Passenger:** 4,000
(3773-4000, 3777-4000)

Coefficient
 -RE Right: $\log_{10} \mu = 7.00$, $\text{unc}(\mu) = 0.16$
 (37.77 ± 0.08)
 -RE Left: $\log_{10} \mu = 7.00$, $\text{unc}(\mu) = 0.158$
 (37.77 ± 0.08)
 -RE Mid: $\log_{10} \mu = 7.00$, $\text{unc}(\mu) = 0.158$
 (37.77 ± 0.08)
 -RE All: $\log_{10} \mu = 7.00$, $\text{unc}(\mu) = 0.158$
 (37.77 ± 0.08)
 -RE All: $\log_{10} \mu = 7.00$, $\text{unc}(\mu) = 0.158$
 (37.77 ± 0.08)

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- In Air : loc, wpm ? on: wpm ( = 1.440
  (K = 27.400)

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Korea Market

Busan International Travel Fair : Sep 7 ~ 10



lung associated with AIDS was similar to Hansen et al. 5.

Busan Mayor and the KOTFA/BITF Chairman visited the GVS booth.

Korea Market

September 27: Jess Air Inaugural Flight



GVB and the Cultural Team won the Best Tourism Marketing and the Best Podfare Performance Awards (Jesse and Ruby and Ms. Earth Guam Sarah Flush)

Group leaves Guam on September 26 for meetings with Nissan Air and jets for Gateway Ribbon Cutting Ceremony on September 27.

October 28: Korean Air Busan Inaugural Flight
- Korean Air inviting Chairman Bilco into to join

3 month Forecast

Months	Forecast Per	%Change	Last Year	Best Forecast 12	Best Date 11	% Change Sixty
September	3,929	3.81%	3,791	5,526	5,791	46.19%
October	4,177	2.43%	4,078	5,530	6,013	10.23%
November	3,300	0%	3,709	4,912	5,013	-2.01%

Flight / Seat breakdown

- GI Flight : Ticket 2x per week = 2,785
- DPA Air : Ticket 2x per week = 2,785

October

- CI Flight : Ticket 2x per week = 2,765
- EVA Air : Ticket 2x per week = 2,781

Nouveau:

- CI Flight : Ticket 1x par week = 2,400
- EVA Air : Ticket 2x par week = 2,672

Total 9,526

Threat 11.526

Total: 0.912

*CE has changed its aircraft type from A330 to 737-800 (255 seats / flight).

RUSSIA MARKET

MOSCOW & SAINT PETERSBURG ROAD SHOWS - SEPTEMBER 4 - 5, 2012

- Visit USA Russia Committee organized a series of workshops from September 4-13, 2012 in seven Russian cities
- GVB participated in 2 cities
- Moscow road show was held at the US Embassy on September 4th, 3PM - 7PM
 - US Ambassador to Russia Mr. Michael McFaul addressed the 120 travel agent attendees
 - 18 US companies participated
- St. Petersburg road show was held at the US General Consular Residences on September 5th, 12PM - 5PM
 - 100 travel agents attended
 - 16 US companies participated



At both workshops the latest information on the US Visa procedures were presented by the Visa Section personnel. Each US participant was provided table top space to display and distribute their promotional materials. Each participant was allotted a 3-minute introductory presentation. The Visit USA Russia Committee presented more details regarding various themed US destination tour options. Guam was new and interesting to the travel agents, who asked many questions and wanted more information.

- GVB's Pilar Laguana thanked the Board for allowing GVB to participate in the Roadshow.
- P. Laguana reported that out of the 6 cities that participated in the roadshow, Guam chose Moscow and St. Petersburg. She stated that this allowed Guam to introduce itself to the Far Eastern part of Russia.
- P. Laguana reported that the US embassy took a very strong lead with the US ambassador even speaking with the wholesale travelers and the media. She added that the US ambassador spoke about promoting US destinations and singled out Guam because of the Visa waiver status.
- P. Laguana reported that there was a very strong interest in Guam because of our uniqueness and extreme intrigue. Guam was inundated with inquiries after the presentation.
- P. Laguana reported Guam now has wholesalers selling Guam on their packages, which is great progress from the last visit in March.
- P. Laguana also reported that Korean Airlines is working very aggressively and will be bringing in several inspection tours into Guam and will host a FAM tour during the GMIF with key agents. She added that they will also be bringing in a television crew to provide more national coverage throughout Russia. Korean Airlines will sponsor the crew and tour agents with airline tickets and we will take care of the ground arrangements.
- P. Laguana reported that Visit USA comprises of wholesalers, who have also put Guam in their packages with some of the members wanting to organize a FAM tour and in which she encouraged to come during GMIF.
- P. Laguana reported that this is a very difficult thing to have accomplished from what was told back in March.
- P. Laguana reported speaking to 150 agents in Moscow and 100 in St. Petersburg. She added that both seminars were strongly coordinated with the US embassy and the US socio-commercial offices.

- P. Laguana reported that Korean Airlines are actually looking at offering winter service schedules. She added that they have committed to marketing and posturing Guam as a new destination effective in December 08, twice a week. She added that it will really give the wholesalers viable tools to work with in terms of air accessibility to our island.
- P. Laguana have also been working with a Russian Airline called Best 7 with extensive reach in China and Russia and are interested in partnering up with a US carrier.
- P. Laguana reported that it was a very productive trip and are preparing hard for their arrival here.
- *Discussion ensued about Guam tour packages and the affluence of Russian travelers.*

Philippines Lifestyle Media Fam Tour
Tuesday, Sept 11 - Friday, Sept 14, 2012



Pictured L-R: Gabe Wilson, MD; Terry Chung, GVB Sales & Marketing; Nola Supina, GVB Philippines; Krista Mendillo, GVB Promotions Coordinator; Lourene Uy, Break My Style Fashion Blogger; Piter Laguana, Marketing Manager; Brian Borge, PRG; David Mison, The Philippine Star-Supremacy; Maria Ramona S. Masagan, Traveller Magazine (not pictured)



❖ Report of the Treasurer:

○ Cash Position Report:

- Cash report as of September 10, 2012.
- Total cash in banks report (as of 09/10/12) \$11,718,582.74
- Total allotment received to date: \$13,711,559.37
- **Motion to accept cash position by Vice Chairman Baldyga, seconded by Director Kloppenburg.**
- **Motion approved.**

Discussion:

- Director Kloppenburg questioned why the two accounts have not been opened.
- GM Camacho stated that we are waiting on a check and short \$675,000.
- Director Kloppenburg stated that there is \$10 million and we need to open the accounts. He added that he doesn't understand why it hasn't happened.
- GM Camacho explained that the two accounts will be open and is also looking into investment opportunities. She added that GVB is working with legal counsel.
- Chairman Mesa stated to work on opening the accounts and then work on the investments.

- Director Kloppenburg stated that 2.5 million was to be put into a specific account that is the rainy day fund account. The other account will be a reserve operations fund to hold \$800,000.
- Director Kloppenburg just wanted to state for the record that this is the second time he asked about the status of the accounts.
- GM Camacho took responsibility and assured the Board that it will be done.

❖ **Report of the Board Committees:**

A. The Strategic Advisory Council:

- Nothing to report.

B. Administration/Government Relations:

- Nothing to report.

C. Executive Committee:

- V. Chairman Baldyga reviewed the by-laws with the Board members in regards to the Executive Committee and wanting to clear up any issues and questions that may need to be resolved.
- V. Chairman Baldyga read Article VIII – Section 1 of the By-laws.
- V. Chairman Baldyga stated that the Board had never really officially approved and delegated an Executive Committee. In going back, no one really remembers what level of authority the Executive Committee was actually delegated.
- V. Chairman Baldyga stated that for a simple affirmation with the Board to acknowledge that the Executive Committee has all such powers that the Board may have but of course the Board will always over rule.
- V. Chairman Baldyga stated that all actions of the Executive Committee are proper and binding but that doesn't prevent the Board from changing the decision of the Executive Committee.
- GM Camacho clarified that there needs to be 3 voting members on the committee and 2 ex officio.
- V. Chairman Baldyga also stated that after this next election, they want to ensure that the 5 members of the Executive Committee will be representative of the different industries.

D. Japan Marketing:

- Please see Japan minutes attached
- ***Discussion ensued about wedding markets.***
- GM Camacho reported that we may be seeing an increase in Japan arrivals because of the cancellations to China.

E. Korea Marketing:

- Director Miyashita made a motion, seconded by Chairman Fortino to approve travel for the Governor, First Lady, Senator Barnes, Chairman Mesa, Nathan Denight, a Miss Guam, Korea Marketing Officer (total 7 pax) to travel to Seoul, Korea on Wednesday, September 26 to participate at the Jeju Air Inaugural Ribbon Cutting Ceremony and related events and fly back to Guam on the Inaugural flight on Thursday, September 27, 2012. Cost is approximately \$5,908.90 from the FY2012 Korea Sales Marketing Development Acct# SMD023 or SMD 019.

Motion approved.

Airfare (7 pax)	\$3,500.00
Per Diem – Lodging for Governor and 1 Senator (2 pax x 1-day)	\$605.80
Per Diem – Lodging for Chairman Mesa & N. Denight (2 pax x 1-day)	\$582.50
Per Diem – Lodging for GVB staff (1 pax x 1-day)	\$233.00
M&IE – Governor and 1 Senator (2 pax x 1-day)	\$327.60
M&IE – Chairman Mesa & N. Denight (2 pax x 1-day)	\$315.00
M&IE – First Lady, MG & GVB Staff (3 pax x 1-day)	\$378.00
Professional Fees – MG (\$100 x 2 days)	\$200.00
Total	\$5,908.90

Background: Jeju Air has entered the Korea-Guam route with an inaugural flight scheduled to depart Incheon Airport, Seoul, Korea on Thursday, September 27. GVB was invited to participate in the inaugural ceremony at the Incheon Airport, including the ribbon cutting ceremony and to fly on the inaugural flight.

To show appreciation to Jeju Air's entry to the Guam market, GVB would like to send the above noted protocol delegation to participate in their inaugural flight ceremonies.

- An Executive Committee motion was needed and approved by V. Chairman Baldyga and Director Flores to approve travel for Mr. Eduardo (Champ) Calvo to travel to Seoul, Korea on Wednesday, September 26 to join the Governor and the Guam delegation at the Jeju Air Inaugural Ribbon Cutting Ceremony and related events and fly back to Guam on the Inaugural flight on Thursday, September 27, 2012. Cost is approximately \$859.65 from the FY2012 Korea Sales Marketing Development Acct# SMD023 or SMD 019.

Motion approved.

Airfare (1 pax)	\$410.90
Per Diem – Lodging (1 pax x 1-day)	\$291.25
M&IE – (1 pax x 1-day)	\$157.50
Total	\$859.65

Background: Jeju Air has entered the Korea-Guam route with an inaugural flight scheduled to depart Incheon Airport, Seoul, Korea on Thursday, September 27. GVB was invited to participate in the inaugural ceremony at the Incheon Airport, including the ribbon cutting ceremony and to fly on the inaugural flight.

To show appreciation to Jeju Air's entry to the Guam market, GVB would like to send the above noted protocol delegation to participate in their inaugural flight ceremonies.

F. Existing Markets:

- Chairman Fortino reported that there is good momentum in Taiwan.
- Chairman Fortino reported that there will be a Taipei International Travel Fair in October.
- Director Fortino reported that PATA is coming up and we will have a travel mart and annual meeting from the 25- 28.
- Director Fortino reported the Hong Kong Road show at the beginning of September, which was a social media promotion.
- Director Fortino reported that the Lifestyle media FAM tour in the Philippines is this weekend.
- Director Fortino made a motion, seconded by Director Kloppenburg to authorize the General Manager as Chief Procurement Officer of the Bureau to begin negotiations with the highest ranked respondent for RFP2012-012: Tourism Destination Marketing Representation Services in Taiwan and, if successful, enter into a contract.

Motion approved.

G. New Market Development:

- Nothing to Report

H. Destination Management:

- Director Saad made a motion, seconded by Director Kloppenburg to authorize the General Manager as Chief Procurement Officer of the Bureau to award an FY2013 contract for Tumon Landscaping Maintenance Services. Reference IFB # 2012-001.

Motion approved.

Background: Tumon Landscaping Maintenance is a beautification effort to enhance the hub of tourism activity. Maintenance includes San Vitores Boulevard up to the Bishop Flores Rotunda, including road medians, GVB office and two major intersections leading to hotel row: Westin Resort-Horizon Condo Road and JFK Road.

- Director Saad reported the culvert cleaning is still pending because they are still working on the MOU and now an extension.
- GM Camacho reported that GVB met with DPW's Director Joann Brown and Carl Dominguez. She stated that they have to do an extension cause it's taken so long for them to extend their contract with Maeda. GVB will be entering into an MOU extension with DPW.
- GM Camacho reported that she extended even our legal counsel to assist them (DPW) for counsel to move forward with the adjustments. She added that their biggest hold up was the Attorney General entering a change in their contract.
- GM Camacho assured the Board that the MOU will be done before September 29.
- ***Discussion ensued about covert cleaning and expediting the process.***
- Director Saad reported the Holiday Illumination deadline is today at 5pm and review of the bids is tomorrow.
- Director Saad reported that this year's illumination will have a special theme about "We are Guam" and the culture.
- ***Discussion ensued about the Holiday Illuminations expectations for this year.***
- Director Saad reported about some of the streetlight bulbs that need to be replaced in Tumon. He added that GVB's Doris Ada will do a followup.
- Director Saad reported that DMC was approved for \$1.2 million but still needs to know the details of it.
- V.Chairman Baldyga asked if there is a new company that has won this bid.
- Director Saad answered that initially, there was, but there were flaws in the calculations and when rectified, their numbers were not the lowest.
- Director Kloppenburg reported that there have been calls regarding the Tumon beach cleaning and asked if we are still on track with that.
- Director Saad reported that the raking machine had broken down and it was being done manually. The machine has been fixed but there was an adjustment made with the company's billing was off and there were discussions and they are going to step it up.
- Director Kloppenburg also asked about the ecological concerns regarding the beach raking twice a week.
- ***Discussion ensued about beach cleanup / seaweed accumulation.***
- GVB's Doris Ada mentioned the issues of illegal dumping and the trash bins will be taken from their places and moved to other areas because of people using these bins for their own personal receptacles with a lot of different debris and trash.

I. Membership Management:

- Director Kloppenburg reported that Quarterly membership meeting is scheduled for tomorrow at the Hilton with the guest speaker Ken Baki of RW Armstrong.
- Director Kloppenburg reminded the Board of the membership renewals coming up in October.
- Director Cristobal also reported about the RFP with the Farmer's market facility and a selection had been made.

J. Research:

- Director Nathan Taimanglo made a motion, seconded by Director Fortino to authorize the General Manager as Chief Procurement Officer of the Bureau to begin negotiations with the highest ranked respondent for RFP 2012-008 (Visitor Exit Surveys for Japan, Korea and Russia) and RFP 2012-009 (Customs Forms Printing), if successful, enter into a contract.

Motion approved.

Background: In accordance with 5GCA Ch.5 Guam Procurement Law, the Bureau issued RFP 2012-008 (Visitor Exit Surveys for Japan, Korea and Russia) and RFP 2012-009 (Customs Forms Printing). Projects are for FY2013.

K. Cultural Heritage & Community Outreach:

- Director Flores reported the GMIF coming up from October 5-7.

L. Sports & Events:

- Director Camacho reported that the Press conference for the Ko'ko Road Race is Monday at PIC hotel.
- Director Camacho reported that we're on pace with the most international runners from Japan and to date there are 388 soloists and over 10 akiden teams.

❖ EXECUTIVE SESSION:

- No Executive Session.

❖ OLD BUSINESS:

- GM Camacho confirmed that there has been a quorum confirmed for the Joint Board meeting on October 05.
- Director Kloppenburg expressed his concerns and stated that GVB Board needs to go in with ground rules regarding our marketing plans in general.
- *Discussion ensued about the Joint Board meeting.*

- DGM Nathan Denight handed out the 5-year strategic plan draft and asked the Board to review it.

❖ NEW BUSINESS:

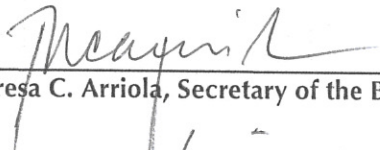
- Nothing to report

❖ ANNOUNCEMENTS

❖ ADJOURNMENT:

- Motion made by Chairman Saad, seconded by Chairman Mesa to adjourn the meeting. Meeting adjourned at 5:15p.m.

Motion approved.



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



Board Minutes prepared by Meriza Peredo, Executive Secretary