

### REGULAR BOARD MEETING GVB MAIN CONFERENCE ROOM, 4:00PM THURSDAY; October 11, 2012

### **Board of Directors Present:**

Chairman Monte Mesa Hope A. Cristobal N. Oscar Miyashita Rizk Saad

Jennifer Camacho

Vice Chairman Mark Baldyga

Therese Arriola Judy Flores Nathan Taimanglo

**Board of Directors Present Telephonically:** 

### **Board of Directors Absent:**

Eduardo "Champ" Calvo Carol Tayama Bruce Kloppenburg

### **GVB Management and Staff Present:**

Joann Camacho Laurette Perez Kraig Camacho Meriza Peredo Nathan Denight Rose Cunliffe Regina Nedlic Brian Borja Sonja Lujan-Sellers Pilar Laguana Antonio Muna

### **Guests:**

Henry Taitano (Governor's Office)

# Proceedings:

Meeting called to order at 4:09 p.m. by Chairman Monte Mesa. Review of the previous Regular Board minutes dated September 13, 2012.

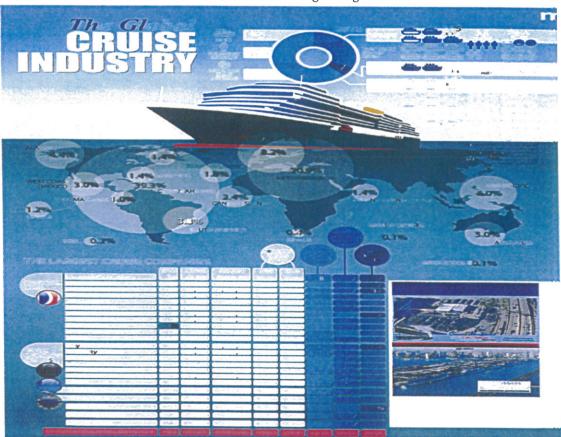
 Motion made by Vice Chairman Baldyga, seconded by Director Flores, to approve the minutes of September 13, 2012.
 Motion approved (subject to correction).

# **Chairman's Report:**

> Chairman presented a slide about the cruise ship industry in Asia



- Chairman Mesa stated that one of the highlights of the Asia Cruise Shipping Conference is the repositioning of additional cruise ships into Asia and Australia. Guam and Micronesia region can take advantage of the potential source market out of China.
- > Chairman Mesa reported that this is potential to grow new destinations and not just along the coastline of China to Singapore but in the Pacific islands as well.
- Chairman Mesa reported that Australia has also increased its ship deployments from Princess Cruises, Carnival, and Royal Carribbean.
- Chairman Mesa reported that these 3 cruise lines are putting significant resources in developing the Asia cruise market.
- Chairman Mesa reported that Asia is still only 6% of this total global cruise market and there is still potential for growth.
- Chairman Mesa reported meeting with the Executives of Princess Cruises and Orion Expeditions, which provides smaller highend luxury cruises whom we want to work with on providing cruise tours in our Micronesian region in 2015.
- Chairman Mesa stated that we are asking them to consider the Micronesia Region and Guam as a Trans Pacific port of call between Australia and Asia because that is where the 2 growth source markets are with China and Australia market growing at 37%.

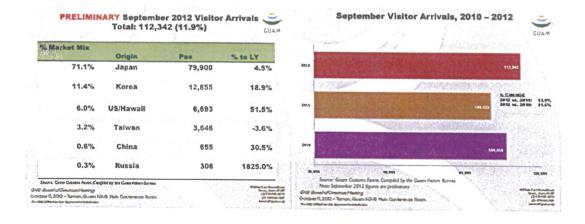


- Chairman Mesa reported on JATA (Sept.19-21):
- Chairman Mesa reported meeting with Japan Airlines and getting an update on their reorganization plan. One of their message is JAL receiving more new planes next year, and considering restarting additional flights to Guam again. (JAL is down to one flight daily from 5 at one point). JAL still considers Guam as a viable and profitable market.
- Chairman Mesa reported that we are also encouraging United and Delta Airlines to apply for the Haneda direct flight service to Guam.
- Further discussion regarding the airline industry relative to Guam.



- Chairman Mesa reported about the \$18 million upgrade of the Reef Hotel by the new owners HIS. He added that this is a positive movement for the industry and HIS's business strategy includes paying their fair share of Guam taxes and investing into the Guam's tourism industry. This is contrary to what the initial concerns were when HIS announced that they've purchased the Reef Hotel and that their profits and revenues from their Guam tour packages will only be kept in Japan.
- Chairman Mesa stated that other Japanese travel agents are already booking at the hotel. We will continue to monitor and encourage HIS to be active and good standing GVB members.
- Chairman Mesa reported the inaugural launch of Jeju Airlines was a success. He commended Director Miyashita, GVB's Felix Reyes and Korea GVB Sales Manager Henry Lee and his marketing staff.
- Chairman Mesa met with Korean Airlines executives very positive and understood what Guam is trying to do. He added that Korean Airlines is still working with the Guam Airport to bring a direct flight from Russia and China to Guam.
- Chairman Mesa reported that Guam can get an air route waiver from other foreign carriers if US carriers or Russian carriers do not apply for the air route. Exploring this waiver option similar to Korea-Japan-Guam-Korea air route could be possible for Korean Airlines.
- > Chairman Mesa wanted to update the Board on the Vietnam investment and tourism opportunity and reported that there were 21 delegates from Vietnam, comprising of government officials, tourism, media and manufacturers. The group visited last week and they saw some opportunities to grow Vietnamese visitors and tourism investment to Guam.
- > Chairman Mesa reported that Congresswoman Bordallo who met with the delegation made the commitment to work on having Vietnam included in the Guam only visa waiver program.

# General Manager's Report:





#### PRELIMINARY FY2012 Arrivals October 2011 - September 2012 Total: 1,271,378 (10.8%)



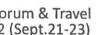
% Market Mix	Origin	Pax	% to LY
71.5%	Japan	908,408	10.3%
13.0%	Korea	165,250	13.9%
4.6%	US/Hawaii	64,892	8.8%
3.9%	Taiwan	49,877	22.5%
0.7%	China	9,058	46.6%
0.2%	Russia	2,924	453.8%

Source, Green Customs Forms, Complied by the Curem Adors Survey. Naturally 2012 & September 2012 figures are present asy





# JATA Tourism Forum & Travel Showcase 2012 (Sept.21-23)







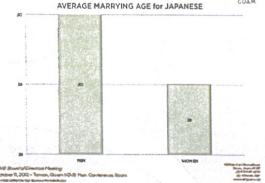




GUS Sound Change Plants
October 11, 2012 - Tumon, Guen LGNS Main Conference Room









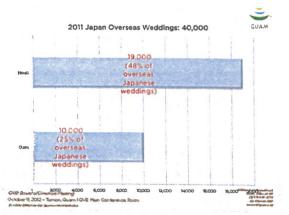
Overseas Wedding Study Methodology: Mail surveys Fieldwork: March 2-26, 2012 (Source: Zexy, famous bridal magazine)

# MTD2012 Arrivals October 1 - 10 Total: 33,000 (12.2%)



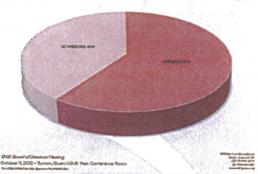
% Market Mix	Origin	Pax	% to LY
69.9%	Japan	23,073	11.0%
15.8%	Korea	5,230	47.3%
3.0%	US/Hawaii	1,943	29.8%
4.0%	Taiwan	1,329	-9.4%
2.3%	China	761	-23.4%
0.3%	Russia	94	487.5%





2011 Total Japan Marriage Registration: 720,000





% of couples that had an overseas wedding (by year)



	The same of the sa	A service and the service of the ser
YEAR	**************************************	Number of Respondents
2011	6.0%	2,788
2010	5.2%	2,811
2009	4.7%	2,680
2008	4.9%	2,960
2007	5.9%	2,699
2006	7.2%	2,861
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# Why Hawaii?

- ·Hawaiian Airlines started flights to Narita, Kansai and Fukuoka
- •Delta and Korean Airlines will start Fukuoka/ Honolulu regular flights at the end of October
- ·Hawaiian Airlines will start Sapporo/Honolulu at the end of October
- ·Hawaiian Airlines flights from Haneda Airport and very strong demand and reason for consumer.
- ·The cost for a wedding in Hawaii is lower than Guam. Competition with wedding companies in Hawaii keeps prices low.
- ·Major travel agents have been strengthening Hawaii tours (since Oct 2011).
- ·Japanese yen is strong.

GHS\* Stove\*of\*Chestrost Plantings October 11, 2022 – Turnors, Guisen 14048: Main Constituen on Room







### **Guam Opportunities**



- ·Guam wedding is a family wedding: more than 10 people participate in a Guam wedding
- ·Second Honeymoon market: Silver Market who did not have wedding in Japan but honeymooned in Guam (1970-1980).
- ·Mr. & Mrs + Baby/Children: Who had baby before wedding

GNB Boxel of Criminas Meeting October 11, 2012 – Turnon, Guern I GNB Mein Contenence Room

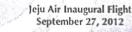


# Korea Market **Korea Outbound Travelers**

Guam Market Share



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	Polish Street	25%	10%	87%	0%	13%	1.1%	17%	14%	10%	U%	17%	UN	LIS
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301 Z	Ann held	1420	13,633	10,793	11,40	8945	1516	150-	18,28	9,651	4,50	Bose	ne	18.7%
	Mart Sun	1406	1396	LM	1.7%		1 100		T	T				-





Ribbon Cutting Ceremony at the gate



Thus far, in 2012, of 426 respondents who had an overseas wedding, 59.2% had their wedding in Hawaii, followed by Guam at 20.4%. Compared to previous years in the order of Hawaii/Guam/Asia (including Asia beach resorts)/Europe):

YEAR	HAWAS	GUAM	ASIA	EUROPE
2012	59.2%	20.4%	6.6%	6.1%
2011	53.3%	23.4%	7.2%	7.2%
2010	47.1%	21.9%	10.2%	9.5%
2009	50.4%	19.7%	7.9%	6.8%
2008	49.0%	23.2%	6.0%	6.9%
2007	50.5%	24.4%	3.6%	6.5%
2006	50.0%	20.3%	4.3%	5.2%



### Korea Market

(6-6-0 224-248) - In No. 1 1-1-4-2-7 serwest-6,400 18727-464)

WAY TO STORE OF	CUAM						
Month	Eorecast Pax	Lant_Year	SkGhange	Seat Forecast 12	Seat Data_11	%.Change.Snats	
October	16,500	10,096	54.3%	24,031	14,260	68.5%	
November	19,060	13,196	44.0%	29,283	16,135	81.5%	
December	19.500	13.666	42.7%	30 205	40.485	60.50	

#### flights

October - KEFlight : Inc. hero n 7 ac n (\$277-240)

JA Air : Instean 7 personal = \$.589 Air : 1+4 +4++ 7 se : weet + 3,766

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Total 26.263

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September 27, 2012





Jeju Air Inaugural Flight September 27, 2012







October 11, 2012 - Tumon, Guern HGNS: Hain Conference Room



### KOREA MARKETING



One-millionth visitor to Guarn arriving from Korea

- Tuesday, October 16, 2012 oKorean Air Fit# 111, 01.30 a.m oGreeting at exit

Airport greeting with Miss Guam, Sen. Barnes, KMC Chairman Miyashita, GVB management, GIAA, GVB BOD, KMC, others.

- Fresh flawer leis

- GIAA Police motorcycle escort to hotel
- GVB member gifts/prizes Return ticket to Guam package
- Local/International media
   Fruit basket in room

GRBF Stores Cultivations of Matthing O citicolor 17, 2012 — Turnon, Guerro I GNB Hein Constituence Room



# Taiwan Market



3 month Forecast

Month	Ferecast Pax	%Change	Last Year	Seat Forecast 12	Seat Data 11	% Change Seats
October	A,177	2.4%	4.078	4,708	5,013	-6.1%
November	3,930	6.0%	3,709	4,761	5,013	-5.0%
December	3,592	16.0%	3.095	5,013	4,456	12.5%

#### Flight / Seat breakdown

CI Flight . Taiper Zx per week = 2440 EVA Air : Taiper Zx per week = 2,268

Ol Flight; Tayon 2x per serek ± 2745 EVA Ale: Taipei 2x per week = 2,263

Total 4.708

\* Eva Air ~ 309 seats/252 seat

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# Taiwan Market



### 3-Month Marketing Outlook

#### October

- Global Media Fam
- Invite 13 media outlets and bloggers to participate GVB Global media fam tour (Oct. 4-7)
- Work on itinerary arrangement with GVB and ground operator
- OVER Tawars well have two staffs facilitate this group and optimize related information on GVB Tawan social media platform and Guarn Shopping Ambassador Election website
- Shopping Ambassador Election Top 10
- To select top 10 from all participates and start the 2<sup>rd</sup> round competition
  - The one received most "votes" will win the prize - The winner will be announced on Oct. 29 (last day of ITF)



PATA TRAVEL MART 2012

SAIN CONVENTION CENTER MANILA, PHILIPPINES





Top: The Guarn Visitors Bureau and Yap Visitors Bureau was featured on the TTG: The Official Show Daily. Right: GVB met with over thirty-eight (38) Buyers through pre-scheduled appointments over three days during the travel mart. GVB also conducted a Guam presentation for international media.

9 Bowl of Director Meeting laber 11, 2012 – Tumon, Guern I GNB Hein Conterence Roam

#### Korea Market

#### Korea-Guam Tourism Council



### KGTC Golf Fam Tour w/Spouse (Nov. 23-25, 2012)

Nov. 22: Depart to Guam via KE111

Nov. 23: Golf at Mangilao

Governor's office visit

Nov. 24: Golf at CCP

Nov. 25 : Golf at Tolofofo

Nov. 26: Depart to Incheon via KE112



#### Taiwan Market

### 3-Month Marketing Outlook

### September

- Events: Guam Shopping Ambassador Election Press Conference

  - cotion Press Conference
    To officially announce "Shop Guam Festival" and
    Shopping Ambassador election
    Strategies

    \*\*Co-on with one of the meet influential Tawanese
    meda "Business Weekly.com" to maxemace the
    event waveness, including ment website, eDM,
    AD banner, Facebook Van Papper, etc.

    \*\*Promote this campaign throughout media
    conference, press release, UVB Tawan Fan Papps
    and titing
    There have been 3.3 media exposures for SGF so
    far

  - for Up to September 25, more than 50.306 online users have visited the site, over 130 participants enrolled the contest; the website has surpassed 253,811 page views)





GNB Boxel of Cirectors Meeting October 11, 2012 – Tumon, Guern I GNB Mein Contention Room

# Taiwan Market



### 3-Month Marketing Outlook

### October

- · ITF
  - Booth design and onsite activities development
  - itinerary arrangement: have secured Ci and EVA Air's courtesy visits; pre-event press conference onstage performance
  - Briefing book preparation
  - Giveaway survey and production
  - SM programs initiatives

















The Plaza



DFS Galleria

Visit with Diamond Sponsors: Feature Guson duty free and high-end shopping variety

October II, 2012 - Tomon, Green I GNB Heln Contention Room 2-108 Office of Business Contention











Yona Village Fiesta: Global media experiences Guam culture first-hand; Fiesta hosted by Mr. and Mrs. Jesse Garcia

(248) Brownfol/Common Meeting Ortober Pt, 2012 - Turren, Guern LGVB Hein Conference Room A-Microsophia de Barrent-Hallada



Visit USA Russia Committee Fam Tour October 7-11, 2012





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# Guam Micronesia Island Fair



October 11, 2012 - Tumon, Guen I GVB Hain Conference Room



**Guam Premier Outlets** 



Visit with Diamond Sponsor: Feature Guam shopping variety



Guam Micronesia Island Fair

Global media experiences the cultures Micronesia at the 28° annual GMIF

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Korean Air Moscow Fam Tour – Travel Agents October 4-7, 2012







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October 11, 2012 - Tumon, Guern I GAB Hain Conterence Room















# Report of the Treasurer:

- Cash Position Report:
- o Cash report as of October 9, 2012.
- o Total cash in banks report (as of 10/09/12) \$11,255,491.91
- o Total allotment received to date: \$14,386,490.37
- Motion to accept cash position by Director Cristobal, seconded by Director Arriola.
   Motion approved.

### Discussion:

- > Chairman Mesa reported that the reserve account has been open.
- > Director Cristobal reported that the FY2013 funding had been given.



 Director Cristobal made a motion, seconded by Director Arriola to encumber all remaining balances from the FY2012 Operational Budget to be restored back to all original categories.
 Motion approved.

### Discussion:

- V. Chairman Baldyga asked if the Board will be administratively putting the money back into the categories. He stated that if making the decision for the excess funds to be distributed and the intention is to spend it by the committees, he proposes that its worth sitting in a group to best figure out where the \$900,000 can be used (cited DMC's lack of funds) rather than simply releasing it to the different departments.
- Chairman Mesa stated this is the reason we need to clarify. He added that the new budget law allows it but the FY2012 budget law only allows it to be done in Marketing.
- Director Arriola stated that she is concerned that we have the flexibility to encumber the old fiscal year in the new fiscal year. She explained that in this new budget, the money from last fiscal year was not encumbered because there was no meeting in September to encumber the balances and we are 11 days into this new fiscal year. She added that the Budget Act requires that all unencumbered funds go back into the TAF and is worried that it may be a red flag in the audit.
- > Director Miyashita agreed that it is a legitimate concern.
- > Further discussion of the legitimacy and intentions of Board actions that will be taken, regarding the encumbered funds of the FY2012 in the FY2013 budget.
- > V. Chairman Baldyga added that he requests that Management come to the Board for review and discussion with a listing of the amount of funds that are received, where they were originally to be allocated, and the Committee suggestions of how they will be spent.
- Director Cristobal made a motion, seconded by Director Arriola to approve management recommendations and budget allocations for the FY2013 budget as presented of a total of \$15.2 million.

Motion approved.

### Discussion:

Director Arriola stated that she sees it acceptable, and is grateful that we received it. She added that Destination Development is actually getting more than anticipated from last year.

# Report of the Board Committees:

### A. The Strategic Advisory Council:

# B. Administration/Government Relations:

- > Director Arriola stated that the TAF funds have increased as numbers show. She suggested that a plan be put together if the Board intends to tap into the fund, for an additional supplemental budget, sooner than later.
- Chairman Mesa stated that a 4-month track is needed to show justification, but the Administration committee can look at it and come up with recommended strategies.
- Chairman Mesa said that it will be considered when it happens.

#### C. Executive Committee:

 V. Chairman Baldyga made a motion, seconded by Director Arriola to ratify approval authorizing the General Manager as Chief Procurement Officer of the Bureau to begin negotiations with the highest ranked respondent for RFP 2012-006: Tourism Destination Marketing Representation Services in Hong Kong and, if successful, enter into a contract. Motion approved.



- V. Chairman Baldyga made a motion, seconded by Director Arriola to ratify approval of travel for one (1) GVB Japan staff to travel to Guam to support the execution of the 25<sup>th</sup> annual Guam Micronesia Island Fair and the 2<sup>nd</sup> annual Guam Chamorro Dance Academy. Travel dates from October 3-8, 2012. (Estimated cost \$1,262.50; account #SMD008) Motion approved.
- V. Chairman Baldyga made a motion, seconded by Director Cristobal to ratify approval of travel for four (4) GVB Japan staff to travel to Guam to support the execution of the 7<sup>th</sup> annual Guam Ko'ko Road Race. Travel dates from October 11-15, 2012. (Estimated cost \$4,115.00; account #MAR001)
   Motion approved.

### D. Japan Marketing:

V. Chairman made a motion, seconded by Director Cristobal to approve travel for two (2) GVB Staff and three (3) Miss Guams to support the execution of the Sapporo Guam Live Presentation. Travel dates from October 19-22, 2012. (Estimated cost \$4,165.00; account #Travel Fair & Consumer Show)
 Motion approved

### Discussion:

- > V. Chairman stated that he questioned the need for (3) Miss Guams to attend the Sapporo Guam Live Presentation. The Japan Committee said that it is a new activity, they had committed to it, and airfare has been comped by United Airlines.
- > Chairman Mesa stated from his experience with JATA, that the Miss Guams are an attraction.
- V. Chairman Baldyga made a motion, seconded by Director Cristobal to authorize the General Manager as Chief Procurement Officer of the Bureau to begin negotiations with the highest ranked respondent for RFP 2012-016: Guam Destination Website Redesign, Content Management System and Customer Relationship Management Solutions.
   Motion approved.
- ➤ V. Chairman reported that JATA was successful with 30 delegates from Guam, including 3 Miss Guams, Rick Blas (Guam's Judo Olympian), and Lt. Governor Tenorio. He added that the GVB Japan staff did an extraordinary job.
- V. Chairman reported that the Delegation of himself, Chairman Mesa, Lt. Governor Tenorio and Senator Tina Muna Barnes met with the Chairman of JATA, the JAL Vice President and the JTBR/HIS.
- V. Chairman Baldyga reported that the keynote speech theme was Individualization and Personalization of travel packages unique to individual travelers than that of the mass market. He added that he recommended to JMC how we can apply and make that relative to our 5year Strategic Plan.
- > V. Chairman Baldyga also stated that he asked how Guam can capitalize on the cancellations due to China with the groups. The feedback from JMC members was that there is enough room supply which prompted another discussion of the theory of pushing harder in shorter periods versus not and standing firm on the principle that we'd rather deal with higher yield than mass markets.
- V. Chairman Baldyga reported that the JGTC meeting is on November 28.
- V. Chairman reported that relative to the website development, he proposed that there be a large subset for the MICE business and group conference business, much like Hong Kong and Hawaii conventions. He added that an online digital database of brochures and information is probably more effective than printed brochures.
- > V. Chairman Baldyga encouraged a lot of thought be put into subpages focused on the MICE business when redesigning the website.



- > V. Chairman Baldyga commended ADK for a great job.
- ➤ V. Chairman Baldgya reported that we are getting triple use out the BSTB program, and it's a great sales tool.
- V. Chairman Baldyga reported that the Koko Road Race numbers from Japan may be off from prior years. He stated that the concern has been raised that the PIC marathon may be pulling from the focus and date conflicts of races in Japan. He added that they will be looking into changing the date for next year.
- ➤ V. Chairman Baldyga reported about the Shop Guam campaign. He stated that there is a shopping value for luxury goods here on Guam (cited a 30% luxury item that he bought in Japan that is cheaper on Guam).
- Chairman Mesa stated that doing business in Japan is extremely critical and commended the JMC. He added that the comments he got back from the JGTC members commends their responsiveness to concerns and in return, honoring their commitments to JMC.
- Chairman Mesa also reported that the GVB's Japan manager Yuji-san will be with us for 20 years.
- > Further discussion regarding appreciation of JGTC / KGTC.

# E. Korea Marketing:

### F. Existing Markets:

- Director Taimanglo made a motion, seconded by Director Cristobal to approve travel for one GVB Board Member, General Manager, a Marketing Manager and up to (2) GVB Staff to attend the upcoming Taipei International Travel Fair from October 25 - 31, 2012 in Taipei, Taiwan. (Estimated cost of travel is \$15,177.50 from FY2013 Taiwan Budget Acct#TTC031).
   Motion approved.
- > Chairman Mesa reported on the resignation of Director Fortino.
- Chairman Mesa appointed Director Taimanglo as the interim Chairperson for Existing Markets.

### G. New Market Development:

Chairman Mesa reported that there are no new developments regarding the China visa waiver.

### H. <u>Destination Management:</u>

- Director Saad made a motion, seconded by Director Arriola to re appropriate up to \$35,000 from the unencumbered funds for Destination Management for additional trash pickup for Tumon beaches.
   Motion approved.
- Director Saad reported the status of San Vitores Road Resurfacing. DPW Highway and Maeda Pacific have finally resolved the asphalt formulation issue. DPW will issue the Notice to Proceed and Maeda is expected to move forward with friction course application at the intersections of Westin, DFS, Sandcastle/Hyatt and Fujita. The expected completion date is before Christmas.
- Director Saad reported the status of the pedestrian crosswalk at DFS. He reported that DPW's Carl Dominguez met with RW Armstrong's Ken Baki (who is overseeing HOT Bond projects). RW Armstrong is in negotiation with Lyons Engineering Consulting Group (company that won the bid award to install new crosswalks at DFS and Chamorrro Village). DPW plans to meet with RW Armstrong and Lyons Group to discuss design options for these (2) areas.
- Director Saad reported that he's still having problems with the San Vitores streetlights. Johnson Controls have reset the breaker for the string of lights at the Nippon Car Rental, Holiday Resort and GVB. These areas frequently trip and have to be manually reset, in which they have nobody to inspect them on a regular basis. He added that there is discussion to upgrade these breakers.



- Director Saad reported the status of the abandoned building of the former Hong Kong restaurant, which was purchased by Luen Fung. DPW will contact them to paint the building soon if they are not going to demolish. The Western Gun Club report has been completed but has not had time to make the necessary revisions. Mr. Dominguez requested the assistance of GVB's legal counsel in the process.
- Director Saad reported a request to meet with Senator Muna Barnes to discuss measures that will address "unsightly" buildings. He cited the example of the MGM building across from Denny's Tamuning.
- Director Saad reported the status of the culvert cleaning. He stated that an amendment to the Maeda contract is in the hands of the AG's office for review and approval, which will be followed by the Governor's review and approval. The project is expected to commence before Christmas.
- Director Saad reported that "No walking uphill/downhill" have been posted at the upper and lower level of Ypao Road for the safety of pedestrians.
- Director Saad reported that letters have been distributed regarding the banners and some have been taken down. He is still working on the issue with the establishments that have put them back up.
- Director Saad reported that there has been no progress regarding the Beach Patrol issue. DMC has met (3) times with GPD's Chief of Police, Commander Ryan and other officers. A meeting with Lt. Governor Tenorio, resulted with the Lt. Governor addressing the issue directly with GPD.
- ➤ Director Saad reported that DMC approved \$9000 from the Visitor Safety & Satisfaction funding, at the request of JGTA for the production update of safety tips in the Japanese language to be aired on the Visitor Channel at all the hotels.
- ➤ Director Saad reported that DMC approved \$3000 from the Visitor Safety & Satisfaction funding, to support the Guam Cycling Federation I-Bike request for the production of international signs and maps to aid families to enjoy a safe, navigable bike route throughout Tumon, Hagatna and Micronesia Mall.
- Director Saad reported that DMC approved \$5000 from the Visitor Safety & Satisfaction funding, to support the Repainting of Fire Hydrants on San Vitores Road.
- Director Saad stated that DMC did receive their budget, however they withheld the 15%. He stated there is only enough money to do the Tumon-Agana Beach cleaning & maintenance, Tumon landscaping and maintenance, Highway Roadway Maintenance contractual inspection, and the Holiday Illumination. Other additional projects are on hold until additional funding is released.
- > Director Saad reported that it cost an additional \$29,000 for the Beach cleaning (7) times a week.
- > Further discussion regarding special appropriations earmarked from DPR.
- Director Saad emphasized that the beach cleanup cannot wait for the DPR funds.
- V. Chairman suggested to make a motion for the funds to be given to allow the expediting of the beach cleanup to start.
- Director Arriola and Director Cristobal agreed.
- Director Cristobal asked about the HOT Bond Tumon Flooding RFP study.
- > GM Camacho reported that it is still moving forward.
- > Chairman Mesa reported that an RFP is being put out for an overall design.
- Director Cristobal would like to share a CD with the HOT Bond committee from a conference she recently attended.
- Further discussion regarding the Culvert cleaning progress.
- Chairman Mesa volunteered to send a letter on behalf of the Board to the AG's office in hopes that it will expedite the process to start the Culvert cleaning.

### I. Membership Management:



- > Chairman Mesa reported that the time has passed for the Membership sign-up to be eligible to vote in the upcoming election on Jan 8.
- > GM Camacho reported that 317 people have signed up (not including the first 10 days of October).

### J. Research:

### K. Cultural Heritage & Community Outreach:

 Director Arriola made a motion, seconded by Director Taimanglo to approve travel for the Cultural Delegation (8 Performers, 1 Staff, 1 Miss Guam) to attend the upcoming Taipei International Travel Fair from October 25 - 31, 2012 in Taipei, Taiwan. (Estimated cost of travel is \$26,980.00 from FY2013 CPO-003).
 Motion approved.

### Discussion:

- Director Arriola commended GVB Staff and Management for a job well done on the success of the GMIF.
- Director Arriola reported that she had been invited to the Aboriginal conference in Taiwan this November, to speak about cultural tourism and Fest Pac marketing.
- Director Arriola stressed on the need to plan how to market and capitalize on FestPac as an event for Existing Markets.

### L. Sports & Events:

 V. Chairman Baldyga made a motion, seconded by Director Camacho to approve the request of Governor Eddie Baza Calvo to provide financial support in the amount of \$300,000 for the International Table Tennis Federation's 2012 World Cadet Challenge to be held on Guam from October 27 to November 04, 2012. Funding to come from 15% reserve of FY2012 funds.

Motion approved.

### Discussion:

- Director Arriola stated that any event held on Guam is a good thing but she wanted to reiterate what V. Chairman Baldyga said earlier and that it is key that we have a plan on where the 15% reserve funds will be going.
- Director Arriola stated that she is in full support of the motion.
- Director Arriola stated that she still does want to know what is being sacrificed for this.
- Director Arriola suggested that 15% goes back to sports, some from Taiwan market, and graciously be given from other committees to support the balance but it will be split accordingly. She added that she'd much rather see it coming from the most appropriate and specific categories than a big pot to be tagged.
- Director Arriola stated that our markets have an idea of what they would like to do with the 15% reserve they are getting back but plans needed to be delayed because the money came later.
- Director Arriola stated that she can make an amended motion.
- > GM Camacho stated that we will make it equitable.
- Chairman Mesa stated that it had been already addressed with the Treasurer's report that we will unencumber back into the regular categories then it will come to the Board for reallocation.
- > Director Arriola stated that we are here today for the reallocation and it is time sensitive.
- > Director Arriola suggested that because they are asking for it in general terms (from the 15% reserve), we've already put it back into the categories, it should now come out of Sports and Taiwan markets, with rest split up from the different committees that are willing to give.



- Chairman Mesa needed clarification from Director Arriola if this is coming from FY2012 or 2013 budget.
- Director Arriola restated her suggestion and explained that she wants it tagged from the most appropriate category.
- > GM Camacho stated that it is a fair call because the participants are coming from all our different markets (eg. Japan, Korea, and Taiwan).
- > Director Arriola stressed that ChaCo is willing to help fund but she would like to see it come out from the most appropriate markets first.
- Director Arriola stated that if we have to change the motion to make it more specific for the accounts then she's willing to do that.
- Director Saad stated that he looked at the ITTF budget and he understands the importance of the media, venue and banners but what he doesn't understand is the \$210,000 for hotel accommodations. He added that in most cases, the country or a club would pay for those accommodations and asked why are we paying for the hotel accommodations.
- Director Arriola stated that a hosting country takes on the burden of hosting the bed (cited SPG event) and that is why there is a budget for hotel accommodations.
- Director Arriola asked if the lead in this event is GVB.
- GM Camacho stated that it is the Governor's office.
- > Director Arriola stated that hopefully because it is the Governor's office, they will be able to receive an in-kind or a break (on hotel accommodations).
- > Chairman Mesa stated it is a great point and GVB should still try to get the best value for the rooms or maybe receive a preferred rate and spread it among the members because it will still come back in the 10% hotel occupancy tax.
- Director Arriola asked where the figure of \$210,000 came from and how many hotel rooms are needed.
- > DGM Denight stated there is about a 100pax and the tournament is a week long event.
- > Chairman Mesa added this includes players, officials and other international guests.
- V. Chairman Baldyga stated that after reviewing the analysis and discussions he's come to support this event. He stated he'd like to support the Governor's request as they have been very few, but would like to reinforce the funds are coming from the 15% and without that 15% he would have not supported it. He stated the release of the 15% is not coming from the budget that GVB has been living with up til this time.
- V. Chairman Baldyga stated that it is very important for GVB to clarify that this is being managed by the Governor's office and we need to know how these funds will be spent in the end.
- ➤ V. Chairman Baldyga stated that after review, he was pleased to see that unlike most of the expenditures, 95% of the \$300,000 spending in the budget will be spent locally from transportation, hotel occupancies, lighting and sound, printing.
- Director Arriola requested an agreement that the appropriate accounts will be tapped before it is spread across the board.
- Chairman Mesa stated that GM Camacho and DGM Denight need to help and manage the funds wisely by getting the best deals.
- > Director Arriola stated the \$210,000 could have been the rack rate.
- DGM Denight ensured that they will do their duty.
- Director Arriola clarified that the money will be transferred to the Governor's office.
- GM Camacho replied yes.
- > Director Cristobal stated to note that special projects are being sacrificed for this.
- Chairman Mesa responded that a lot of that money was earmarked for the last fiscal year and that time has passed.
- > Director Cristobal stated that it lessens the flexibility of the GM and staff.



- **EXECUTIVE SESSION:**
- > Chairman Mesa called an Executive Session for personnel evaluation matters.
- OLD BUSINESS:
- NEW BUSINESS:
- **ANNOUNCEMENTS:**
- Director Flores invited the Board to a soft opening of a new tour Attraction that was funded by CAHA for one of the homes in Inarajan at 10am tomorrow.
- **ADJOURNMENT:**
- Motion made by V. Chairman Baldyga, seconded by Director Flores to adjourn the meeting. Meeting adjourned at 6:13p.m.
   Motion approved.

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

Board Minutes prepared by Meriza Peredo, Executive Secretary

