



GUAM VISITORS BUREAU

50th ANNIVERSARY • 1963 - 2013

REGULAR BOARD MEETING
GVB MAIN CONFERENCE ROOM, 4:00PM
THURSDAY; January 24, 2013

Board of Directors Present:

Chairman Mark Baldyga	Therese Arriola
Jennifer Camacho	N. Oscar Miyashita
Milton Morinaga	Nathan Taimanglo
Judith Guthertz	Eduardo "Champ" Calvo
Norio Nakajima	Bartley Jackson

Board of Directors Present Telephonically:

Board of Directors Absent:

Vice Chairman Bruce Kloppenburg
Annmarie Muna
Carol Tayama

GVB Management and Staff Present:

Karl Pangelinan	Nathan Denight	Rose Cunliffe
Meriza Peredo	Tony Muna	Haven Torres
Doris Ada	Regina Nedlic	Kraig Camacho
Dee Hernandez	Mark Manglona	Gina Kono
June Sugawara	Brian Borja	Debi Phillips

Guests:

Stephanie Flores –Office of Sen. Tina Muna Barnes

❖ **Proceedings:**

Meeting called to order at 4:00 p.m. by Chairman Mark Baldyga.

Review of the previous Regular Board minutes dated January 17, 2013.

Motion made by Director Jackson, seconded by Director Camacho, to approve the minutes of January 17, 2013.

Motion approved (subject to correction).

❖ Chairman's Report:

➤ Chairman Baldyga explained the process and plan for **Committee Goals & Objectives**

○ Chairman Baldyga reported that the Transition Committee meetings that are taking place were the first step and had two main purposes:

- **Hand off vital knowledge**, information, and suggestions from the outgoing committee chair to the incoming committee chair.
- **Begin to establish initial 1-year committee goals & objectives** that will be later updated and tied in with the 5-year Strategic Plan.

➤ Chairman Baldyga explained the process and plan for achieving these goals:

- **Draft initial committee goals** including Top 3 Goals by end of February
 - Report quarterly and track progress
- **Review and revise** drafts at all levels (Committee, Management, and Board)
- **Finalize Strategic plan** by end of March
- **Revise, and match up all goals** with the Strategic Plan

➤ Chairman Baldyga asked that all Goals be **Measurable and Quantifiable**.

➤ Chairman Baldyga reminded the Board that an **Ethics and Orientation training** date and time will be confirmed.

➤ Chairman Baldyga recognized and **welcomed the new General Manager Karl Pangelinan**.

❖ Acting General Manager's Report:

PRELIMINARY MTD Visitor Arrivals January 1 – 22, 2013 Total: 80,936 (2.0%)

% Market Mix	Origin	Pax	% to LY
68.2%	Japan	55,168	-3.1%
20.3%	Korea	16,417	40.0%
3.7%	US/Hawaii	2,966	3.6%
2.6%	Taiwan	2,080	-45.2%
0.4%	China	352	-66.5%
1.2%	Russia	963	498.1%

KOREA – 3 Month Forecast

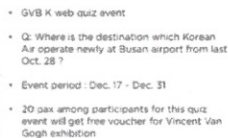
Month	Forecast Pax	Last Year	%Change	Seat Forecast 12	Seat Data 13	%Change Seats
January	22,000	16,216	35.7%	21,940	16,637	65.0%
February	19,800	13,651	42.9%	29,756	16,958	75.7%
March	16,500	10,751	53.5%	27,501	16,482	66.9%

Flights

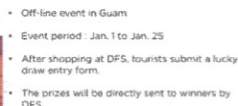
January • KE Flight : Incheon 7 per week = 6,156 (Amex 330-500) • JAL Air : Incheon 7 per week = 5,380 (8737-800) • JAL Air : Incheon 7 per week = 5,166 (8737-800) • JAL Air Extra : Wed, Thur, Sat, Sun = 3,348 (8737-800) • KE Extra Flight : Daily = 6,098 (8737-200, 8737-800) • Russian KE : Thu, Sun = 1,242 (8737-800) • Airline Charter: 1/13, 5/13, 12/1 = 750	February • KE Flight : Incheon 7 per week = 5,324 (8747-400) • JAL Air : Incheon 7 per week = 5,040 (8737-800) • JAL Air : Incheon 7 per week = 5,208 (8737-800) • JAL Air Extra : Wed, Thur, Sat, Sun = 2,876 (8737-800) • KE Extra Flight : Daily = 6,104 (Amex 330-500) • Russian KE : Thu, Sun = 1,104 (8737-800)	March • KE Flight : Incheon 7 per week = 10,525 (8747-400) • JAL Air : Incheon 7 per week = 5,080 (8737-800) • JAL Air : Incheon 7 per week = 5,764 (8737-800) • JAL Air Extra : Wed, Thur, Sat, Sun = 3,348 (8737-800) • Hana & Hana Charter : Wed, Sat = 1,242 (8737-800) • Russian KE : Thu, Sun = 1,242 (8737-800)
Total 21,940	Total 26,756	Total 27,501

KOREA - Outbound Travelers Guam Market Share

Korea – GVB Web Event



Korea - DFS Promotion



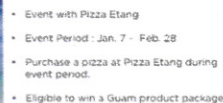
Korea - Consumer Promotion w/ Jeju Air

-

Korea - Consumer Promotion w/ Sony

- [illegible]

Korea - Consumer Promotion w/ Pizza Etang



Korea - Hana Tour Special Package



Taiwan - 3 Month Forecast

Flight / Seat breakdown

January

- CI Flight : Taipei 2x per week = 2745
- EVA Air : Taipei 2x per week = 2,268
- **EVA Air charter flights *2 = 504**

February

- CI Flight : Taipei 2x per week = 2,440
- EVA Air : Taipei 2x per week = 2,036
- **CI CNV 3 charter flights = 903**
- **EVA Air 4 charter flights = 1,008**

March

- CI Flight : Taipei 2x per week = 2745
- EVA Air : Taipei 2x per week = 2,268

Total 5,517

Total 6,367

Total 5.013

Russia



Vladivostok, Russia Vice-mayor Roman Karmanov Sunset Barbecue with Lt. Governor Ray Tenorio | Sunday, 01/13/13

Special thanks to our industry supporters:
Baldyga International Group, TUNU Guam, Russian Paradise Tours,
Office of the Lt. Governor of Guam

Membership

- Current membership to date for FY13 - 380+
- Membership Committee Meeting scheduled for February 21st @ 10:00am
- Quarterly Membership Meeting scheduled for March 29.
- Venue & Speaker pending.

CHaCo - Events

- Guam Island Fiesta Tour (GIFT)
 - Our Lady of Lourdes, Yigo
 - Host Family: Mr. Angel Sablan
 - Sunday, February 10th
- 5th Annual Gupot Fanha'aniyan Pulan CHamoru (Chamorro Lunar Calendar Festival)
 - Sunday, February 10th
 - 10am - 7pm, Hagatna Boat Basin
 - Guam Fishermen's Co-op

Sports & Events - Guam Long Ride

- Event Date: Sunday, January 27
- Go Time: 6:45AM
- Distance: 120KM & 60KM Cycling Event
- Estimated Number of Participants: 80 Japan/ 70 Local
- Supported & Sponsored by: United Airlines, Nippon Rent-A-Car Guam, Colantotte, Guam Visitors Bureau, Guam Cycling Federation, Pacific Island Club, PMT & Yaesu Publishing
- Website: guamlongride.com



[GVB Corporate Website](#)

❖ Report of the Treasurer:

Cash Position Report:

Cash report as of January 22, 2013.

Total cash in banks report (as of 01/22/13) \$12,152,523.36

Total allotment received to date: \$4,289,768.55

- **Motion to accept cash position by V. Chairman Baldyga, seconded by Director Flores.**

Motion approved.

- Director Miyashita reported that he is working with the Accounting department to revise the financial reporting to allow easier reading, comparisons and give more useful information. A **Management P&L format** will be developed to include budget versus actual and versus prior period (current period and YTD) which will be presented on a **quarterly basis**, and in a format that matches with the committee line item budgets.
- Director Miyashita reported that current reports are in line with the auditors.
- Chairman Baldyga advised the Board that the auditor's reports are consistently positive and he congratulated the Accounting team for a very good job.

❖ **Report of the Board Committees:**

A. ADMINISTRATION / GOVERNMENT RELATIONS:

Director Guthertz reported that there needs to be amendment and correction of a bill that had been recently passed regarding the **funding of positions**. She also advised that **Government agencies** have been a remiss in assisting GVB with certain projects that need to be addressed and completed. She suggested that these be brought to the attention of the appropriate parties and added that she will do her part in the intercession of these projects.

B. EXECUTIVE COMMITTEE: Nothing to report

C. JAPAN MARKET:

Guam Long Ride

Director Morinaga made a motion, seconded by Director Calvo to approve travel for Ai Nagasawa, GVB Osaka staff, to assist with the Guam Long Ride on January 27, 2013. Travel dates from January 25~28, 2013. (Estimated cost \$909.50; account#SMD008)

Motion Approved.

Background:

Through the support of JTB and J Produce, the Guam Long Ride is a cycling event that essentially follows the contour of the island (see map) for a 121.6km ride. The first event was held in 2011 with 104 participants (71 Japanese, 33 local). This year we anticipate a similar level of participation. The Bureau is a sponsor of the event through the Sports Committee. Ms. Nagasawa is the main point of contact for communication with J Produce.

Travel Expenses		
Airfare:		\$677.00
Airport Tax:		\$ 45.00
Guam Per Diem:	\$62.50 x 3 nights	<u>\$187.50</u>
Total:		\$909.50

Director Morinaga made a motion, seconded by Director Arriola, to approve travel for the General Manager and the Deputy General Manager to attend the 5th Annual Hotel Investment Conference Asia Pacific Update from March 12-13, 2013 in Singapore. (Estimated cost per trip \$5,955.00; account # SMD008).

Motion Approved.

Background:

Additional hotel rooms are needed on island to increase visitor arrivals. HICAP is the annual gathering place for Asia Pacific's hotel investment community, attracting the most influential owners, developers, lenders, executives, and professional advisors from around the globe.

Airfare (2 pax)	\$1,275.00	\$2,550.00
Per Diem (GM and DGM) 454 + 25% x 3 days	\$1,702.50	\$3,405.00
Total:		\$5,955.00

Discussion:

DGM Denight explained there is an attendance profile made up of chairman, CEOs, and owners of hotel investors. It had been suggested that Guam's delegation for this trip should comprise of GVB, GEDA, GHRA and even the Governor's office. It was suggested that the Chairman attend as well. Chairman Baldyga will check his schedule and update the motion if he can attend. A collaboration of the team should create a joint package that addresses hotel sites, and investor's concerns of permits, cost and other regulatory restrictions. Director Jackson stated for the record that GHRA will participate in these discussions to ensure that information is accurate.

- **Discussion on Joint GEDA-GVB Conference.** During this discussion, Chairman Baldyga raised the idea of a potential joint GEDA-GVB tourism investment conference to be addressed at a later time. The Board concurred with the idea. Management should begin to explore and further this idea.
- **Discussion on Allocations.** Discussion also occurred that motions such as this with multi market impact should in fairness be equitably proportioned along the markets for funding to the extent practical.
- **Discussion on Routes conference.** Chairman Baldyga explained that General Manager Pangelinan had held discussions about the Routes conference with GIAA. Both parties felt that it would be most effective to utilize a representative for this year's trade show, to concentrate on approaching airlines individually on a targeted basis and to consider attending Routes next year. The Board concurred.

Japan Guam Tourism Council Meetings

Director Morinaga made a motion, seconded by Director Jackson, to approve travel for the General Manager, one Japan Marketing Committee Chairman and one Japan staff to attend the quarterly Japan Guam Tourism Council meeting from April 2-4, 2013 held in Tokyo, Nagoya and Osaka. (Estimated cost \$8,012.50; account # SMD008).

Motion Approved.

Background:

The Japan Guam Tourism Council holds quarterly meetings to discuss the current market situation. Meetings are held in the three major regions for Japan's outbound travel to Guam. During the April meeting the General Manager will be officially introduced to the whole council as well as the new chairman for the Japan Marketing Committee.

Airfare (3 pax)	\$700.00	\$2,100.00
Nagoya Per Diem (Board and Sr. Mgmt)	\$530.00	\$1,060.00
Nagoya Per Diem (Staff)	\$424.00	\$424.00
Nagoya Train Fare	\$92.00	\$276.00
Osaka Per Diem (Board and Sr. Mgmt)	\$513.75	\$1,027.50
Osaka Per Diem (Staff)	\$411.00	\$411.00
Osaka Train Fare	\$208.00	\$624.00
Tokyo Per Diem (Board and Sr. Mgmt)	\$612.50	\$1,225.00
Tokyo Per Diem (Staff)	\$490.00	\$490.00
Tokyo Train Fare	\$125.00	\$375.00
TOTAL		\$8,012.50

D. KOREA MARKET

Director Miyashita reported that numbers are looking very good and to note that the market share from 3 years ago at .9% has hiked up to almost 2% currently. KMC will work on gathering the information needed for a comparison report of other destinations with the travelers out of Korea.

Room inventory is still the biggest challenge.

E. GREATER CHINA Nothing to report

F. RUSSIA & NEW MARKETS DEVELOPMENT Nothing to report

Director Jackson reported that Avia Charter Airline is interested in flying to Guam and will be meeting with GIAA and GVB on Monday.

G. NORTH AMERICA & PACIFIC (NAP) Nothing to report

H. DESTINATION MANAGEMENT

- Chairman Baldyga reported about the suggestion of DMC breaking into **3 subcommittees** (Safety, Airport, and Tumon Maintenance) to make it more manageable by prioritizing project items and checking them off one by one.
- Tumon has **insufficient number of officers** and coverage with no visibility. There have been TAF monies and equipment that were provided to GPD but not enough bodies with only 4 officers assigned from 8am – 430pm daily. Ideal number of officers is 14.
- The **culvert cleaning** issue has progressed with the permit issued and project to be completed by April 1.
 - There is a \$190,000 overage for future purchase / maintenance of pump truck. Management will explore outsourcing options and cost and the possibility of utilizing these funds for additional contracted cleaning.
 - Management will ensure that long term there is a **maintenance component** included in the HOT BOND flooding resolution.
- Chairman Baldyga briefly summarized other **DMC priorities** including: abandoned buildings, intersection dangers, banners, revision of hand billing law, reinstating the Tour Industry Relation Staff (TIR) vacancy, and the need for security cameras.
- Discussion ensued regarding the **TAF** and keeping it within the scope of tourist related projects as its been used over the years as a convenient bucket to tap into.
- Chairman Baldyga suggested a plan to undertake an annual or bi-annual presentation to the Legislature and possibly the Membership that features the Bureau's year in review together with the plan for the coming year. The first presentation will be scheduled for early April and will feature a presentation to the Legislature of the 5-year Strategic Plan together with 1-year goals. The presentation should focus on how the Agency is spending its funds, what has been accomplished, where we're going, how we plan to get there and the amount of funding needed to get there.

I. MEMBERSHIP DEVELOPMENT

- Chairman Baldyga reported that Membership in overall is doing fine. One and five year membership goals were established. There are 380 members currently with 400 members as a 1-year goal, 500 members within 5 years
- Enhance membership incentives and benefits, ideas were presented to:
 - Consider a **barter** program for like-kind member contributions. Options tours, hotels and other members can provide their services and trade in a pool of other services from other members on a dollar for dollar basis. This will allow member employees to experience one another's facilities.
 - **Create and implement two (2) surveys** (for members and nonmembers). Poll the members on how we are doing and how we can improve. Poll the non-members on why they don't join and identify areas for improvement.
 - Identify **heavy hitter key note speakers** for Membership meetings

J. RESEARCH

- Director Taimanglo reported that one of two **airport scanners** has been down for a few months. Its \$17,000 annual maintenance contract includes bi-annual service, however it hasn't been serviced. GVB does not pay until services have been rendered but the unit needs repair and must be addressed as a priority.
- Management was asked to research more **modern scanner hardware / software options**
- **Revisions of customs forms** are ongoing with a bit of a challenge with Customs storage and size of form.
- Research hopes that that Marketing will use Research data more often when evaluating plans.
- Research will start to produce a **new narrative version** of their research including notes. These will be distributed to all members with an opt-out provision.

K. CULTURAL HERITAGE & COMMUNITY OUTREACH (CHaCO)

- Director Arriola stressed the importance of the **Chamorro culture** as a theme that should run **throughout all committees** as it is what sets Guam apart from other destinations. She asked that Culture be a **primary heading of the web site** and not a subheading. Chairman Baldyga asked that management investigate the best method to accomplish this and report back.
- Director Arriola reported their first ChaCo meeting will be on the first Wednesday of February.
- Director Arriola reported the **priorities of ChaCo** as:
 - Ensure that the authentic Chamorro culture is represented, educated, and demonstrated properly especially in the tourism industry.
 - Work collaboratively with the Marketing and Culture committees
 - Work with Management to partner better with the hotels and find a mechanism to cost share the cultural presentations
 - Support and give opportunities for the artisans to develop their discipline
 - Communicate what tourism is and does for the community and better educate the residents with public relations outreach
 - **Ideas for public outreach were suggested:**
 - Ideas discussed included a possible PDN series (13 part series, one per committee)
 - Weekly Radio talk shows
 - Commercials with tourist success stories of industry workers
- Director Jackson suggested really working together with the Tourism Education Council to better collaborate and having TEC chairwoman Heidi Ballendorf join the ChaCo committee.

L. SPORTS & EVENTS

- Director Camacho would like to focus on quality over quantity on event sponsorship
 - Focus on **signature events** like GMIF
 - **Consider world-renowned events** (eg. Fishing Derby / Premiere golf tournaments)
 - Prioritize **FestPac 2016**
- Increase and bring in the broader expertise of new committee members

❖ OLD BUSINESS None

❖ NEW BUSINESS

- February 14 Board meeting may be moved to February 12 because of quorum issues.

❖ EXECUTIVE SESSION

❖ ANNOUNCEMENTS

- GM Pangelinan thanked the Board and Chairman for arranging the transition meetings and giving him the opportunity to be “baptized by fire” and it was the only way to do it. He added that he would like to leave off with 4 key points that he’s taken from the last 48 hours on the job:
 - Take advantage of the fact that there are several different **entities in transition** which makes it an opportune time to work with these people and get down to business on viable solutions
 - Working together with Director Miyashita and the Accounting team on **budgeting reporting**
 - Focus on **quality over quantity**
 - Value in **face to face direct marketing** is vital in regards to reaching out to the investors


❖ ADJOURNMENT:

- **Motion made by Director Arriola, seconded by Director Camacho to adjourn the meeting. Meeting adjourned at 5:20 p.m.**

Motion approved.



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



Board Minutes prepared by Meriza Peredo, Executive Secretary