



# GUAM VISITORS BUREAU

50<sup>th</sup> ANNIVERSARY • 1963 - 2013

**REGULAR BOARD MEETING**  
**GVB MAIN CONFERENCE ROOM, 4:00PM**  
**TUESDAY; February 26, 2013**

**Board of Directors Present:**

Chairman Mark Baldyga  
Therese Arriola  
Judith Guthertz  
N. Oscar Miyashita  
Annmarie Muna  
Nathan Taimanglo

Vice Chairman Bruce Kloppenburg  
Eduardo "Champ" Calvo  
Robert Hofmann  
Milton Morinaga  
Norio Nakajima

**Board of Directors Present Telephonically:**

**Board of Directors Absent:**

Jennifer Camacho  
Bartley Jackson

**GVB Management and Staff Present:**

Karl Pangelinan  
Brian Borja  
Dee Hernandez  
Regina Nedlic  
Laurette Perez  
June Sugawara

Nathan Denight  
Kraig Camacho  
Nadine LeonGuerrero  
Elaine Pangelinan  
Debi Phillips  
Haven Torres

Doris Ada  
Rose Cunliffe  
Mark Manglona  
Meriza Peredo  
Felix Reyes

**Guests:**

Stephanie Flores –Office of Sen. Tina Muna Barnes



**Proceedings:**

Meeting called to order at 4:21 p.m. by Chairman Mark Baldyga.

- Review of the previous Regular Board minutes dated February 12, 2013.  
**Motion made by Director Jackson, seconded by Director Guthertz, to approve the minutes of February 12, 2013.**  
**Motion approved (subject to correction).**



### Action Items 2/26/13:

- 1) Input Action Items onto Board Mins **(MP)**
  - a) Action Items from last meeting
    - i) ROI per market (market spend) **(Committees)**
    - ii) Travel Calendar (Agenda format) **(MP)**
    - iii) Events Calendar (Agenda format) **(MP)**
    - iv) SMART goals **(Committees)**
- 2) Review and possibly add-on to current contracts **(KP)**
  - a) Banner removal
  - b) Graffiti
  - c) Beach cleaning
  - d) Trash monitoring
- 3) Paint over Graffiti **(RH)**
  - a) Inform GTA/GPA
- 4) Host Town Hall Informational meeting for Tumon camera/security RFP **(KP/Doris)**
- 5) Meeting w TMB about TAF collection **(KP/MB)**
- 6) DMC Objectives
  - a) Vinyl banners
    - i) Research on the laws and the citations of violations also need to be done
  - b) TIR position **(MGMT)**
  - c) Present a copy of hand billing DRAFT **(RH)**
- 7) 2/12 Incident
  - a) Draft reference document of the for future emergencies **(KP/MB)**
    - i) Director / Staff input
  - b) Send Invoices/Letters of follow-up for 2/12 Memorial Fund **(MGMT)**
    - i) Clarify rotary club donation is local / Japan **(BK)**
  - c) Follow-up on GMH Billing **(KP)**
  - d) Follow-up with KUAM **(KP)**
- 8) Itemize 50th Anniversary Events **(ND)**
- 9) Change Board Meeting Time **(MB)**
- 10) Senator Guthertz's Terrorist Attack Report **(MP)**
- 11) Strategic Plan task force **(MB/BK)**
- 12) Meeting with DOE regarding the handling of Japan school trips **(KP / MB)**
- 13) Amending bylaws **(KP / Doris / MP)**
- 14) Cruise Industry **(Felix / AM)**
  - a) Realistic number of passengers over 3-5 & 10 years
  - b) Spend per passenger
  - c) Guam's economic revenue piece
  - d) Recommended amount of money spend to pursue
- 15) Ethics Course **(Meriza)**
  - a) Who?
  - b) Makeup course dates

❖ **Chairman's Report:**

- 2/12 Incident
  - Chairman Baldyga thanked GVB staff for their hard work and extraordinary job and a special thanks to Vice Chairman Kloppenburg, Director Morinaga, and Director Jackson.
  - He recommends keeping the 2/12 Incident an issue on its own rather than being reported under the Chairman's report.
  - GM & Chairman will sit down and draft up a reference document of this crisis and will be able to pull out during times of emergencies.
    - Requested Directors & Staff input
- 5 – Year Strategic Plan Update
  - Explained to the Board the history reasons behind documentation of the Strategic Plan – document is for policy makers, community & non- industry
  - Chairman Baldyga & Vice Chairman Kloppenburg will create a 4-5 member task force made up of the Directors to go through the Strategic Plan, tighten it up and ensure that it is in line with the new goals & objectives of the Board.
- Chairman Baldyga reported on the graffiti tagging and showed 40 pictures of graffiti around the Tumon area.
  - Recognized that a long term solution will need to be figured out on tracking the graffiti and fixing it
  - Mayor Hofmann will take the lead and will also find out where we can source the paint donated or discounted. Mayor Hofmann has spoken with the Tamuning – Tumon Mayor Louise Rivera. She has also agreed to take part of this and will only need the paint. She has committed to starting as early as tomorrow if she possible. Mayor Hofmann clarified that public owned utility boxes just need to be painted the same color as the current color.
  - Chairman Baldyga would like this done before the next board meeting.
  - Chairman Baldyga proposed the Board approve a certain amount of money that will be used for the painting over of the graffiti.

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**Director Arriola made a motion, seconded by Director Guthertz, to approve up to \$5000.00 to take care of the graffiti in the Tumon to Tamuning area, with Tumon as the priority, funding to be identified by Management.**

**Motion approved.**

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- Chairman Baldyga asked Director Hofmann to inform GTA / GPA of what we will be undertaking.
  - Chairman Baldyga received some feedback with using the prisoner volunteers & community service workers.
    - It became troublesome as there were demands that started to become costly (providing transport / lunch)
    - Community service workers are good for special projects but not so much for on going services.
    - Recommendation was to look into the cost of contracting the service to monitor weekly and paint it within (3) days.
      - Look into adding it into the landscaping project
  - Tasks of the last Minutes



- Chairman Baldyga requests that Management adjusts the minutes to create Action Items at the top of the next set of minutes. Action items will be addressed at the beginning of the meetings to ensure tasks are done.
- Action Items of last meeting:
  - ROI per market – look at the spend per market
  - Calendar of GVB sponsored events – Agenda format
  - Travel Calendar - Agenda format
    - List of proposed travel for the year
  - SMART goals requested by Committee (Staff will prepare and Committee Chairman will review them)
- Chairman Baldyga reported an informal discussion with G4S Security on recommendations of how to increase security & safety
  - Safety assessment of Tumon and make recommendations of what else can be done
  - In other communities, they perform the role of the police
    - Not as costly as a police officer
    - Presence as a deterrent
  - Public Town meeting to discuss security ideas in Tumon

## ❖ General Manager's Report

### PRELIMINARY MTD Visitor Arrivals February 1 – 21, 2013 Total: 89,128 (13.9%)

% Market Mix	Origin	Pax	% to LY
71.3%	Japan	63,506	6.0%
14.8%	Korea	13,209	39.2%
2.9%	US/Hawaii	2,588	-13.5%
4.2%	Taiwan	3,767	52.4%
3.0%	China	2,674	1083.2%
0.4%	Russia	347	289.9%

### Japan Outbound Travellers Calendar Year Market Share Source: JNTO

	2012	2011	2010
Asia	16,637,224	16,994,200	16,680,622
China	22.4%	20.5%	18.0%
Korea	19.8%	19.4%	18.0%
Hong Kong	1.9%	2.6%	6.8%
Thailand	5.8%	6.6%	7.4%
Taiwan	6.6%	7.6%	7.8%
Vietnam	2.7%	2.6%	1.1%
Malaysia	2.3%	2.3%	2.3%
Singapore	3.2%	3.9%	n.a.
Philippines	2.2%	2.2%	2.2%
North Am.	209	209	209
US Mainland	7.6%	7.3%	4.8%
Hawaii	7.6%	6.9%	7.7%
Canada	1.4%	0.8%	n.a.
Guam	1.4%	1.4%	1.0%
Europe	2,090	2,090	2,090
France	14.3%	14.0%	n.a.
Switzerland	1.0%	2.8%	n.a.
UK	1.8%	1.4%	n.a.
Austria	2.8%	2.6%	3.7%
Spain	6.0%	6.1%	9.7%
OCEANIA	209	209	209
Australia	2.4%	2.0%	1.9%
Japan	1.1%	0.8%	0.8%

### Korea Outbound Travellers Calendar Year Market Share Source: GVB Korea

	2012	2011	2010
Asia	12,488,164	12,693,203	11,726,926
China	32.64%	32.97%	29.63%
Hong Kong	7.13%	6.04%	n.a.
Japan	19.54%	13.06%	14.88%
Taiwan	1.24%	1.91%	1.89%
Thailand	6.43%	7.88%	7.87%
Taiwan	2.66%	3.14%	3.24%
Vietnam	1.97%	4.22%	5.32%
Indonesia	2.40%	3.37%	n.a.
Malaysia	3.11%	2.08%	n.a.
Singapore	2.89%	3.27%	n.a.
Philippines	1.93%	2.28%	7.13%
North Am.	2010	2010	2010
US Mainland	8.87%	9.02%	n.a.
Canada	1.32%	1.19%	n.a.
Guam	1.66%	1.17%	1.13%
Europe	2010	2010	2010
Germany	2.54%	1.16%	n.a.
Switzerland	2010	2010	2010
Austria	1.73%	1.56%	1.28%
France	0.93%	0.85%	0.84%
New Zealand	0.98%	0.42%	n.a.

### Taiwan Outbound Travellers Calendar Year Market Share Source: Tourism Bureau, MOTC, R.O.C.

	2012	2011	2010
Asia	9,426,074	9,583,673	10,239,760
China	29.75%	29.70%	30.69%
Korea	4.32%	4.42%	5.30%
Hong Kong	24.52%	22.50%	19.34%
Japan	12.07%	11.86%	15.24%
Thailand	4.08%	3.89%	3.00%
Malaysia	7.09%	6.53%	5.95%
Vietnam	3.37%	3.32%	3.54%
Indonesia	1.80%	2.22%	1.84%
Philippines	2.26%	2.18%	1.89%
Singapore	1.26%	2.17%	2.36%
North Am.	1,489	1,489	2,084
USA	4.83%	4.22%	4.39%
Canada	0.47%	0.47%	0.47%
Guam	0.33%	0.47%	0.48%
Europe	2,090	2,090	2,090
Netherlands	0.47%	0.49%	0.49%
Germany	0.34%	0.37%	0.33%
UK	0.38%	0.38%	0.37%
Austria	0.28%	0.37%	0.38%
France	0.24%	0.33%	0.29%
OCEANIA	2,090	2,090	2,090
Australia	0.37%	0.37%	0.40%
Poland	0.21%	0.31%	0.37%





### •SPORTS & EVENTS - Upcoming Events

March 1: DOE Legislative Resolution & Poster Awards Presentation  
Guam Legislature, 4pm

March 1-3: 2013 Umatac Discovery Day Festivities

March 2: DOE Chamoru Month Poster Exhibit Agana Shopping Center,  
10am  
DOE Chamoru Culinary Tasting Agana Shopping Center, 11am - 2pm  
DOE Chamoru Hut Competition/Exhibit Agana Shopping Center,  
1pm - 2:30pm

March 8-10: 2013 Umatac Discovery Day Festivities

March 9: DOE Weaving Competition Agana Shopping Center, 11am -  
4pm

March 11-12: UOG 2013 Annual Chamorro Language Competition  
University of Guam Field House

### •SPORTS & EVENTS - Upcoming Events

March 16: DOE The "Battle of the Hot & Spicy Chicken" Culinary  
Competition Cost-U-Less, Tamuning, 11am - 4pm

March 23: DOE Chamoru Fashion Show UOG Health & Social Science  
Bldg, 2pm - 7pm

March 23-24: 2<sup>nd</sup> Annual Agana Heights Coconut Festival

March 24: Guam Ko'ko' Kids Fun Run Ypao Beach, 6:30am/7:15am/  
8:00am

March 24: XTERRA Guam Championship

March 29-31: 3<sup>rd</sup> Annual Malesso Crab Festival

March TBD: Department of Chamorro Affairs "Tribute to Our Masters"  
I Sengsong Chamorro Village



### Report of the Treasurer:

#### Cash Position Report:

#### Cash report as of February 11, 2013.

Total cash in banks report (as of 02/21/13) \$12,259,467.60

Total allotment received to date: \$5,254,078.55

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

**Motion approved.**

- Director Miyashita reported that Deloitte and Touche finalized the audit. GVB received a clean opinion regarding the financial statements. GVB did not receive any material weakness or significant deficiency items but did receive 3 comments relative to certain internal controls in which Management can address and respond to the Board, in terms of the corrective actions that have been taken. Director Miyashita doesn't consider this to be serious but recognizes the need to be aware of the situation and correct it. Hard copies of the report are available to review for the Board.
  - There have been 3 Management recommendations made from the OPA audit report:
    - **In-kind contributions have significantly decreased from 2011.** *Corrective action has been, and will continue to be, to remind Staff to submit and process their paperwork properly and timely.*
    - **Turning in the trip reports in a timely manner.** GM Pangelinan did note that Staff understands the internal operation but pointed out that a lot of this is due to external 3<sup>rd</sup> party delegations outside of GVB. *Corrective action is better and more aggressive follow up and cooperation with these outside parties involved.*
    - **Minor procurement issue with a Streetlight MOA project coordinated and conducted with GPA and a third party.** GPA was also given the same management recommendation. *Corrective action is getting the proper documentation in place.*
- Director Guthertz questioned whether the actual TAF money received (from the increase of projected money from the TAF) was released to GVB. She stated that she would like to know where the money is and what it will be used for. Chairman Baldyga stated he and GM Pangelinan will sit down and meet with Senator Muna Barnes.



❖ **Report of the 2/12 Incident:**

- Director Morinaga reported that he and Senator Muna Barnes were well received. They attended the wake and the funeral. There were about 80-100 people that attended. They were escorted by the Tohigi Prefecture Police Department to ensure media control. Director Morinaga reported that media coverage was minimal there as its been drowned out by other world news and unfortunately Tohigi was struck by an 5.5 earthquake just yesterday.
- Director Morinaga reported his research on the proper ceremonial etiquette regarding honoring the victims and recommended that we keep the memorial at the site until the 49<sup>th</sup> day anniversary.
- Director Morinaga reported they had visited the Yokota family but couldn't visit the mother and the grandmother because there were still in a secluded Intensive Care Unit. They did meet the brother and daughter. They expressed their wish to return to Guam and it was their brother's intention to buy a home and retire on Guam.
- Director Morinaga will return to Japan for the next funeral as soon as it's scheduled.
- Director Morinaga reported that the money was given in a custom-made cedar box as this is a respectful ritual.
- Director Morinaga reported that the couple that was injured had been questioning compensation. The Minister of Foreign Affairs and the president of JATA intervened and explained that this is the responsibility of the tour agents.
- GM Pangelinan confirmed we are still monitoring the social media and getting reports from GVB Japan regularly. We are slowly piecing together and compiling the data of the economic impact this incident will have on the island.
- Chairman Baldyga reported the action of the Bureau continues to be respectful of the mourning til the 49<sup>th</sup> day, with promotions and events being toned down during this period.
- Vice Chairman Kloppenburg reported there have been commitments to the 2/12 Memorial Fund of \$62,000 to date and wants to ensure that an invoice or a letter goes out for the collection of these commitments. The Japan Club, KUAM and the Governor's office are still doing ongoing fundraisers to assist the Memorial Fund. Vice Chairman Kloppenburg will follow up with the Rotary Club since there has been no clarification if they are working through the Rotary Club in Japan.
- GM Pangelinan reported that the KUAM's texting telethon collection will not be confirmed until the billing cycle is received from the telephone company. He will follow up with KUAM. He added that everyone is on the same page in funneling the donations to the Memorial Fund.
- Director Morinaga reported that the local PHR Ken Corp will donate \$5000 and an additional \$1000 from each of their (5) hotels totaling \$10,000.
- Vice Chairman Kloppenburg that the Archdiocese made a direct deposit to the Bank of Guam with a total collection of \$2500. GM Pangelinan reported that we now have online access to the Memorial Fund.
- Director Nakajima reported that JGTA will also be making a donation.



❖ **Report of the Board Committees:**

**A. EXECUTIVE COMMITTEE**

Vice Chairman Kloppenburg made a motion, seconded by Director Arriola to ratify approval of up to \$200,000.00 for expenses relating to the 2/12/13 Incident. This motion includes the \$50,000 previously approved by the Executive Committee on February 13, 2013. Funding to include approximately \$148,000 for expenses as included in the details of this motion. Expenses beyond those specifically listed will be considered contingency funds. Dual approval to be required for expenditures relating to the contingency fund by both the General Manager and Chairman for line item approval of all such contingency expenditures and expenses relating to this motion in excess of \$1,000.00 each. (Estimated cost: \$200,000.00; Account: Rainy Day Fund).

**Motion approved.**

**Background:**

The Executive committee approved \$50,000 on February 13, 2013 and another \$3355.50 on February 14, 2013 for expenses relating to the 2/12 Incident.

Total expenses to date are approximately \$150,000 per below. There is a short fall of approximately \$100,000 needed to cover these expenses. Management requests an additional \$50,000 to handle additional anticipated expenses with the caveat that line item expenses beyond \$1,000.00 each will have dual approval of the General Manager and the Chairman.

All of these funds may be later adjusted and accounted for in the form of donations to the 2/12 Memorial Fund.

**EXPENSES TO DATE**

United Airlines	9,242.47
Ada's Funeral Home	8,000.00
Nikko	7,000.00
Air Hearse	36,558.62
Funeral Attendance	3,687.58
Consolation/Bereavement	73,117.23
United stretcher	5,376.00
United oxygen	100.00
HIS Hyatt and Sante Fe	5,000.00
Total	<b>\$ 148,081.90</b>

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Vice Chairman Kloppenburg made a motion, seconded by Director Guthertz to ratify approval of travel for Senator Tina Muna-Barnes and GVB Board Member Mr. Milton Morinaga to attend the funeral services of Ms. Kazuko Uehara and Ms. Rie Sugiyama in Tochigi, Japan. (Estimated cost: \$3,687.50; Account: Rainy Day Fund).

**Motion approved.**

**Background:**

Senator Barnes and GVB Board Member Mr. Morinaga will be attending the combined funeral services of Ms. Kazuko Uehara and Ms. Rie Sugiyama, victims of the 2/12 incident on February 12<sup>th</sup> in Tumon.

**Breakdown as follows:**

Airfare: \$900.00 x 2 pax	=	\$1,800.00
Per Diem:		
Senator Barnes: \$450.00 + 30% x 2 days	=	\$585.00
Mr. Morinaga: \$450.00 + 25% x 2 days	=	\$562.50

**Total Expense: = \$3,687.50**

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Vice Chairman Kloppenburg made a motion, seconded by Director Arriola to ratify the affirmation of establishing a memorial fund to be known as the 2/12 Memorial Fund and to be administered by GVB on 2/18/13.

**Motion approved.**

**Background:**

Fund to be established to assist the victims and their families and to help defray their costs. GVB Board to administrate the fund.

*A discussion ensued and Vice Chairman Kloppenburg reported that a recommendation was made to have the 2/12 Memorial Fund renamed and to add "GVB" to the name for tax deduction purposes of donations.*

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Chairman Baldyga asked if there is any objection to declining the motion as written and to rename the 2/12 Memorial Fund to the "GVB 2/12 Memorial Fund".

**Motion approved.**

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Vice Chairman Kloppenburg made a motion, seconded by Director Guthertz, to ratify the affirmation of establishing a memorial fund to be known as the GVB 2/12 Memorial Fund and to be administered by GVB on 2/18/13.

**Motion approved.**

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**Discussion:**

- Director Arriola asked if the funds will go to the families of the victims. Vice Chairman Kloppenburg clarified that the mission statement of this fund is to assist the victims and the families to help offset and defray expenses (medical / funeral costs / hotel lodging) associated with the 2/12 Incident.
- Director Guthertz wanted to state that for the record this is a very important factor in helping to smooth this and she is grateful to have an institution like GVB to be able to put it together and bring the community to come in and support it. She felt that this is the absolute proper thing to do.



- GM Pangelinan added that our island neighbors of MCA also reached out and gave us their suggestions and feedback on how they handled their crisis with the mass shootings several years ago, in terms of expensing and the disbursement of their fund that was set up. He also wanted to thank them for reaching out to us.
- Chairman Baldyga also reported that he sought legal and tax advice in regards to the Memorial Fund and it is within our mandate, and adding that Director Miyashita checked with the accounting side and it is fine. It's probably tax deductible but because the ultimate beneficiaries are foreign it may not be deductible. From our standpoint, it certainly is within our authority to establish and maintain this fund and there is no need to 510C3 for this purpose. If questioned on whether it's deductible its best to inform them that most charitable contributions are but to confirm with your tax advisor.
- Director Guthertz also stated that this will still have to go through the justice system and we need to be ready to assist these families that return.
- Chairman Baldyga asked the GM to do a followup with GMH for the costs.

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Vice Chairman Kloppenburg made a motion, seconded by Director Arriola, to ratify the approval of travel for one (1) GVB Staff to travel to Seoul, South Korea and join the KMC Chairman and GVB General Manager for meetings with the KGTC, Yeobaekhoe, KGMC, KAL, Jin Air, Jeju Air, T-Way Air, and others during February 27-March 2, 2013. Cost is approximately \$1,470.00 from the FY2013 Korea Sales Marketing Development Acct# SMD019.

**Motion approved.**

Airfare (\$650 x 1 pax)	\$650.00
Per Diem – Lodging (Staff: \$230 x 2 Nights = \$460)	\$460.00
Per Diem – M&IE (Staff: \$120 x 3 Days = \$360)	\$360.00
<b>Total</b>	<b>\$1,470.00</b>

**Background:**

The KMC, during their Thursday, February 21, 2013 meeting, entertained and unanimously approved a motion for one (1) GVB Staff to join the KMC Chairman and GVB GM on the trip and to join in the various meetings for action and follow-through.

KMC Chairman N. Oscar Miyashita, the General Manager, and the GVB Staff plan to pay a new-year visit with the KGTC, Korean Air, Jin Air, Jeju Air, T-Way Air, KGMC, and other Korean trade organization executives, to acknowledge support and good results for 2012 and also to discuss opportunities during 2013.

They also plan to meet with the GVB Korea GSA to discuss strategic initiatives and Korea opportunities for the rest of the year based on the recent KMC FY13 review with the GVB Board Chairman.

GVB continues to pursue increased arrivals through increased seat capacity, new airlines, new gateways, and increased market share and this trip will help solidify relationships and hope continued corroboration will result in increased Korean arrivals. This trip will also introduce new GVB General Manager Karl A. Pangelinan to the Korean trade group.



**B. SPORTS & EVENTS** (J. Camacho / N. Taimanglo)

**Exhibit B**

- Director Taimanglo reported that their first Sports meeting was yesterday and restated that they will focus and stay true to the mission of the committee by supporting events that are sports tourism related. He'd like to push for the marketing arm and in kind support for the requests that don't support the mission of the committee, as opposed to a monetary donation.
- There was discussion on the committee level of adding one more key event and ideas were brought to the table:
  - Shopping event (similar to SGF)
  - Water event
  - Music event
- The Committee is currently working on their SMART goals, which is in review and waiting on feedback from members. It will be presented to the Board soon.
- Chairman Baldyga wanted to clarify if the 50<sup>th</sup> Anniversary events fall under this committee. DGM Denight clarified that it doesn't. Chairman Baldyga asked that a draft for the 50<sup>th</sup> Anniversary be presented at the next Board meeting. Vice Chairman Kloppenburg stressed the importance of this celebration and that it is important that all hands of the Bureau are on deck. Director Arriola suggested that May should be the kick off month for the 50<sup>th</sup> Anniversary festivities.

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**Friendship Signing Agreement / Sado-Shima Island Toki Marathon**

Director Taimanglo made a motion, seconded by Director Miyashita to approve travel for (4) person delegation to travel to Sado Island Niigata, Japan to participate in Friendship Signing Agreement and activities associated with the Sado-Shima Island Toki Marathon from April 5-9, 2013. Account number ESP001 (Estimated cost of travel: \$5,101.00)

**Motion approved.**

**Background:**

A Sister Race Agreement between Sado-Shima Island Marathon (Toki Bird) and Guam Ko'ko Road Race (Ko'ko Bird) will take place on April 7, 2013. The Guam Ko'ko Road Race and Sado Shima Toki Marathon share similarities with respect to the plight of the endangered bird species Toki and Ko'ko Bird. The Friendship signing will develop strong relationships and enhance sports tourism through the mutual promotion of both races. Please note that (4) airlines tickets are complimentary via United Sponsorship agreement as an official sponsor of the Guam Ko'ko Road Race in 2012.

- Discussion ensued on the benefits of this race. It was explained that it is a joint marketing effort and the importance of the having these friendship agreements is that it is far reaching with the participation of their racers coming to Guam for our races. DGM Denight will be attending to sign the agreement.

**Cost Estimate:**

Airfare: (2) Air tax fees only	\$90.00	x 2 pax	\$180.00
Airfare: (1) GVB Staff, (1) Miss Guam	\$90.00	x 2 pax	\$180.00
Per Diem (Meals & Incidental Expenses only)			
GVB Management per diem +25%	\$223.00	x 4 days	\$1,115.00
GVB Community Development Officer per diem	\$223.00	x 4 days	\$892.00
Guam Elite Runner per diem	\$223.00	x 4 days	\$892.00
Guam Celebrity Runner per diem	\$223.00	x 4 days	\$892.00
Miscellaneous:			
Car Rental ¥40,000 (¥10,000 x 4 days)	\$125.00	x 4 days	\$500.00
Gasoline	\$50.00	x 4 days	\$200.00
Gifts	\$250.00		\$250.00
<b>TOTAL</b>			<b>\$5,101.00</b>

**Toyohiragawa Marathon**

Director Miyashita made a motion, seconded by Vice Chairman Kloppenburg to approve travel for (6) person delegation to travel to Sapporo, Japan to participate in the activities associated with the Toyohiragawa Marathon from May 3-7, 2013. Account number ESP001 (Estimated cost of travel: \$5,986.00)

**Motion approved.**

**Background:**

A Sisterhood Race Agreement was signed May 3, 2011 with the Guam Visitors Bureau and the Hokkaido Track and Field Association to encourage better relations, stronger sports tourism through the Toyohira River Marathon and the Guam Koko Road Race. The sisterhood race agreement summarized the arrangements necessary for both race events, which includes commitment to attend the Toyohira River Marathon and Guam Koko Road Race for both parties. Hotel accommodations are being provided for the Guam delegation in Sapporo courtesy of Nikkan Sports. Airfare for (4) pax is complimentary via United Sponsorship agreement as an official sponsor of the Guam Ko'ko Road Race in 2012. Two tickets will be purchased for GVB Management and staff to attend.

**Cost Estimate:**

Airfare: Airport taxes and airline fees only		x 4	
Airfare: (1) Management, (1) GVB Staff	\$90.00	pax x 2	\$360.00
	\$1,000.00	pax	\$2,000.00
Per Diem (Meals & Incidental Expenses only)			
GVB Sports Chairman	25% \$132.00	+ x 4 days	\$660.00
GVB Deputy Manager per diem	25% \$132.00	+ x 4 days	\$660.00
GVB Community Development Officer per diem	\$132.00	x 4 days	\$528.00



Elite Runner	\$0.00	x 4 days	\$0.00
Elite Runner	\$0.00	x 4 days	\$0.00
Miss Guam per diem	\$132.00	x 4 days	\$528.00
Miss Guam Honorarium	\$100.00	x 3 days	\$300.00
Miscellaneous: ntal ¥40,000 (¥10,000 x 4 days)	\$125.00	x 4 days	\$500.00
Gasoline	\$50.00	x 4 days	\$200.00
Gifts	\$250.00		\$250.00
<b>TOTAL</b>			<b>\$5,986.00</b>

- Discussion ensued about the delegation and whether they are all runners. Kraig Camacho explained a Miss Guam, and the male and female winners of the previous Koko Road race will be attending this race.

### C. DESTINATION MANAGEMENT:

- Director Hofmann reported that he's been in contact with Dept. of Parks & Recreation regarding the getting the beachside.
- He has also spoken with Carl Dominguez of DPW regarding the Culvert cleaning and was assured that they will clean up the mulch in the pond basin and depending on how well they perform they perform this task, they will look into getting the \$180,000 to get their own pumping truck.
- Director Hofmann met with the Legislature and they will include the into the pan handling law with additional provisions that will:
  - Limit the activity on the medians
  - Cannot be within 15 ft of ATMs, restaurants, parties and public / private functions and motorized vehicles.
- Director Hofmann will share a copy of the draft with the Board. Chairman Baldyga requested that this also be looked into with the H zones. Director Hofmann clarified that this will be with all the villages.
- Chairman Baldyga stated after resolving the graffiti issue, he'd like to make the vinyl banners the next action item task on the DMC list, in which GM Pangelinan stated a letter has been drafted. Chairman Baldyga stated that an ongoing enforcement mechanism will to need to be created. There's only so much that can be done after the letters are sent out. He added that we may want to also consider this to be included in the landscaping contract in which this can handle the public side. Research on the laws and the citations of violations also need to be done.
- GM Pangelinan reported that the "No Pedestrians" sign has been put up on Ypao Road and has caused an uproar in the surrounding community with several calls and emails received.
- Director Arriola suggested that Management assess a position to handle these issues.



- Chairman proposed a concept of adding a \$25 departure fee that will allow Destination Management to do what it needs to be done and plus more. Investigations on how this may be done is still ongoing because there may be FAA restrictions. Another option is adding an addition to the hotel rooms. One main concern is ensuring these funds go to Destination Management and doesn't disappear. Director Calvo stated that there needs to be an in depth study of this and there has been a resistance with this in the past from the airlines industry and the hoteliers.
- Director Arriola suggested that Management take a look into the contract of the beach cleaning.

#### **D. ADMINISTRATION / GOVERNMENT RELATIONS:**

- Director Guthertz reported that the Committee has yet to meet due to the amount of time that was needed to focus on the 2/12 Incident but assured the Board that they will be meeting very soon.
- Director Guthertz requested considering a time change for the Board meeting with preference to 2:00pm as obligations on her part make it hard to make the meetings. Chairman Baldyga will followup and petition for another time that will be preferable across the Board.
- Director Guthertz presented a Case Study: Preparedness of the Tourist Industry in Tumon Against a Terrorist Attack that was done by UOG's School of Business Criminal justice students. It was done a little over 2 years ago. It is a compilation of extensive interviews done with the hotels, government entities, private security companies to find out how prepared we would be.

#### **E. CULTURAL HERITAGE & COMMUNITY OUTREACH (CHaCO)**

- Director Arriola asked the Board to read through the Committee minutes to be informed about the various grants that had been approved. She added that the Committee will meet every first Wednesday of the month.
- Chairman Baldyga requested that all Committee minutes be distributed a day prior to the Board meeting to allow questions and discussion at the Board meeting.

#### **F. GREATER CHINA:**

- Governor Calvo is in Washington D.C. with Mr. Beighley and they will be meeting with Homeland Security and he hopes that there will be an update in regards to the Parole Authority.

#### **G. JAPAN MARKET:**

- Director Nakajima reported the first JMC meeting was on February 20. JMC will be meeting every 3<sup>rd</sup> Wednesday of the month. ADK's Hoshino gave the committee the proposed marketing plan in Japan. He asked all committee members to submit their ideas and concerns regarding the safety of tourists. They will compile and present to the Board when it is completed. He felt that the Committee members were satisfied with GVB's response to the 2/12 Incident.

- Director Nakajima reported that JGTA's requesting for assistance to find a solution on handling the increasing number of school trips. They've asked that GVB have a meeting and to include DOE. Chairman Baldyga stated that we will need DOE but will also need more and he will sit down with GM Pangelinan to come up with a solution regarding this issue.

#### **H. KOREA MARKET:**

- Director Miyashita reported the first KMC meeting was on February 21 and the monthly meetings will be on the 3<sup>rd</sup> Thursday of every month. GM Pangelinan was introduced to the KMC. The question was posed on the impact the 2/12 Incident will have on Korea but the overall media coverage was low with the incoming female president and some other issues that have come from North Korea.
- Room inventory continues to be an issue
- Director Miyashita will be leaving to Korea for meetings with several airlines stakeholders and expects it to be a very productive meeting.

#### **I. MEMBERSHIP DEVELOPMENT**

- Committee members are going to send in their comments and suggestions regarding the bylaws to be discussed at the March committee meeting. Chairman Baldyga asked if the bylaws can be changed by the next Membership meeting. GM Pangelinan will look into the statutes of the bylaws regarding the change of bylaws at an annual meeting and mentioned that specifics will be done at the next committee meeting in March.
- A Membership survey will be given out and committee members are also tasked to list their suggestions.
- A task force will be created to put together a Memorial for 2/12 incident.

#### **J. NORTH AMERICA & PACIFIC (NAP)**

- Director Muna reported the first NAP meeting will be on March 08 where she will be updated on the LA Times Travel show as well as the Philippines event. Director Guthertz has agreed to co-chair the committee and will handle the first meeting since she will be off island.

#### **Travel & Airlines Meetings in Philippines**

Director Muna made a motion, seconded by Director Hofmann to approval travel for Governor Calvo, and (1) Executive Security, to execute several travel & airlines meetings in Manila, Philippines from March 21-23, 2013. (Estimated cost \$1,745.10; account #SMD023)

**Motion approved.**

					# of days	
<u>Manila</u>						
Per Diem - Governor						
Calvo	\$237.00	+30%	\$308.10	1		\$308.10
Per Diem - Governor						
Staff	\$237.00		\$237.00	1		\$237.00
Airfare	2 pax		\$600.00			\$1,200.00
						<hr/> \$1,745.10

#### **Background:**

In addition to the Vietnam Trade Mission, the Governor is meeting with officials from various airline companies in hopes of attracting more airlines carrier to our region. Specially, the Governor will meet with officials from Cebu Pacific Air.

Cebu Pacific is internationally renowned as the most successful low-cost carrier in the Asia-Pacific region.

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**Director Guthertz made a motion, seconded by Director Hofmann to approve the travel & registration for Senator Tina Muna Barnes for the Cruise Industry Convention on March 12 – March 14 in Miami, Florida.**

*Discussion on this motion ensued because the motion did not contain the dollar amount. It was clarified that this motion will only cover the \$900 round trip airfare from Seattle to Miami, Florida and the \$1100 registration fee totaling \$2000.*

**Chairman Baldyga made a motion, seconded by Director Guthertz, to amend the previous motion, and enter into the motion the dollar amount of \$2000, from an account determined by Management, for the travel and registration for Senator Tina Muna Barnes for the Cruise Industry Convention on March 12 – March 14 in Miami, Florida.**

**Motion approved.**

**Director Guthertz made a motion, seconded by Director Hofmann to approve the travel & registration for Senator Tina Muna Barnes for the Cruise Industry Convention on March 12 – March 14 in Miami, Florida (Cost is \$2000 from an account to be determined by Management.)**

**Motion approved.**

*Discussion ensued regarding GVB's participation and where we stand regarding the Cruise Industry. It was requested for Management to work with Director Muna and present a realistic assessment of the realistic number of passengers over the next 3-5 & 10 years, the spend per passenger, and what is Guam's economic revenue piece and what is the recommended amount of money that we spend for pursuing it.*



**Background:**

Guam was visited recently by Mr. John Stohl, Vice President of Crystal Cruise International out of the Port of Los Angeles and Mr. Yoshi Ohkuna, General Manager, JTB Tokyo Global Marketing & Travel. Crystal Cruise International is a very high-end, luxury cruise company assisted by JTB in its Asia sales and ground excursion sales. While on Guam, they met with Governor Calvo, Speaker Judith Won Pat, Senator Tina Muña-Barnes, Council Generals of Palau and the FSM, GVB General Manager Karl A. Pangelinan, Port Authority of Guam, Micronesia Cruise Association, and others.

At these meetings, it was realized there needs to be a visit to West Coast cruise shipping companies to perpetuate local discussions and to present the visit to Guam and Micronesia of more cruise liners.

Meetings have been scheduled with the following cruise companies:

- Crystal Cruise International
- Princess Cruises
- Holland America Lines
- Seabourne Cruise

Senator Tina Muña-Barnes and Mr. Gerald SA Perez, MCA President, will lead a delegation from Guam and the FSM to the meetings.

The Association of Island Legislatures (APIL) and Micronesia Chief Executives (MCES) collectively are pushing for this opportunity.

Airfare (Seattle to Miami)		Approximately \$900.00	
Registration Fee		Approximately \$1,100.00	
March 3-5	Los Angeles	\$162.50 per day	\$487.50
March 6-8	Seattle	\$178.10 per day	\$534.30
<b>Total Travel &amp; Per Diem:</b>			<b>\$3021.80</b> <b>1</b>

**K. RESEARCH:**

- Director Taimanglo reported that the technician is on island to service the current scanner system.
- GM Pangelinan also reported that Customs has given their draft of the form and right now it is just finding the compromise between GVB and Customs.
- Director Taimanglo reported that an intern is working under Research and will be tracking the golf course numbers and hotel occupancy numbers.

- GM Pangelinan also reported that Research is looking into another software system to replace the archaic DAS system that GVB has been using. There is an entity that is on island for a month and can upgrade our system for free. Training will be done and it will be a substantial update from the current system.

#### **L. RUSSIA & NEW MARKETS DEVELOPMENT**

- DGM Denight reported that there is an upcoming MITT trip to Russia.
- GM Pangelinan is still looking into the potential charter airlines for possible additional support.

#### **❖ OLD BUSINESS**

#### **❖ NEW BUSINESS**

#### **❖ EXECUTIVE SESSION**

#### **❖ ANNOUNCEMENTS**

- **Board of Directors Ethics Training Course**
  - a. Tuesday, March 26, 2013 – 8:00 a.m. – 12:00 p.m. / GVB conference room
  - b. Chairman asked for the Board secretary find out who needs to take the course and find out a makeup day for the course.
- **Legislative confirmation of Alternate Director Annamarie Muna**
- **Chairman Baldyga would really like to consider having one meeting a month to do motions approval and one meeting a month to discuss strategy and destination management of taking the product to the next level.**

#### **❖ ADJOURNMENT:**

Motion made by Director Muna, seconded by Director Calvo to adjourn the meeting.  
Meeting adjourned at 5:45 p.m.

**Motion approved.**

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

  
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Board Minutes prepared by Meriza Peredo, Executive Secretary



**CASH POSITION**  
**FY 2012 & FY 2013 COMPARATIVE REPORT**

FY 2012			3/5/12	FY 2013			3/13/13
			Balance				Balance
CITIBANK OPERATION			\$497,652.28	CITIBANK OPERATION			\$427,980.32
BANK OF GUAM			\$4,243,495.86	BANK OF GUAM			\$7,252,767.96
BANK OF GUAM - TCD			\$537,054.58	BANK OF GUAM - TCD			\$537,743.60
FIRST HAWAIIAN BANK-Membership			\$31,610.39	FIRST HAWAIIAN BANK-Membership			\$61,301.69
RESONA BANK			\$116,963.85	RESONA BANK			\$152,980.52
CITIBANK - TAF			\$67,632.81	CITIBANK - TAF			\$67,848.77
BOG - TAF ACCOUNT			\$289,058.89	BOG - TAF ACCOUNT			\$356,012.45
<b>TOTAL CASH IN BANKS AS OF 03/05/12</b>			<b>\$5,783,468.66</b>	<b>TOTAL CASH IN BANKS AS OF 03/13/13</b>			<b>\$13,366,399.78</b>
				** Morgan Stanley CD market value as of 02/28/2013 (value if withdrawn prior to maturity - Maturity Date October 2013)			
<b>FY 2012 BUDGET P.L. 31-77</b>			<b>\$16,368,339.00</b>	<b>FY 2013 BUDGET P.L. 31-233</b>			<b>\$16,018,239.00</b>
<b>GVB - \$14,487,625.00</b>				<b>GVB - \$15,238,239.00</b>			
OPERATIONS TAF-Special Projects				OPERATIONS TAF-Special Projects			
\$13,314,823.00 \$1,172,802.00				\$14,022,384.00 \$1,215,855.00			
Pass Thru - \$1,880,714.00				Pass Thru - \$780,000.00			
<b>ALLOTMENT RECEIVED:</b>				<b>ALLOTMENT RECEIVED:</b>			
TAF Other				TAF Other			
OPERATIONS	Special Projects	Appropriations		OPERATIONS	Special Projects	Appropriations	
11/17/11	\$688,254.44	\$234,560.40	\$0	11/15/12	\$1,420,199.55	\$121,585.00	\$55,253.00
12/12/11	\$1,316,163.00	\$117,280.20	\$0	12/17/12	\$1,362,725.00	\$121,585.00	\$55,253.00
01/13/12	\$942,033.76	\$2,280.20	\$162,258.91	01/14/13	\$1,011,749.00	\$121,585.00	\$19,834.00
02/14/12	\$873,892.94	\$12,280.20	\$131,750.02	02/14/13	\$842,725.00	\$121,585.00	\$ -0-
	\$3,820,344.14	\$366,401.00	\$294,008.93	03/13/13	\$1,602,237.00	\$121,585.00	\$55,253.00
<b>Total Allotment Received to Date:</b>			<b>\$4,480,754.07</b>				
<b>Accounts Receivable FY 2012</b>			<b>\$11,887,584.93</b>	<b>Accounts Receivable FY 2013</b>			<b>\$8,985,085.45</b>
<b>FY 2012 ACCOUNTS PAYABLE</b>			<b>Amount</b>	<b>FY 2013 ACCOUNTS PAYABLE</b>			<b>Amount</b>
Asatsu-Invoices Oct-Dec 2011/Jan 2012			\$272,465.60	Asatsu-Invoices November 2012 - February 2013			\$1,052,000.00
Japan Miscellaneous Invoices			\$0.00	Japan Miscellaneous Invoices			\$42,153.91
Guam Miscellaneous Expenses			\$420,019.99	Guam Miscellaneous Expenses			\$373,861.16
<b>Total FY 2012 Payables to Date</b>			<b>\$692,485.59</b>	<b>Total FY 2013 Payables to Date</b>			<b>\$5,365,161.82</b>
				FY 2011/2012 Pass-thru appropriations			\$1,512,402.90
				FY 2013 Pass-thru appropriations			\$41,086.00
				Encumbered Contracts (not yet incurred)			\$2,270,645.04
				Encumbered Purchase Orders (not yet incurred)			\$73,012.81