



GUAM VISITORS BUREAU

50th ANNIVERSARY · 1963 - 2013

REGULAR BOARD MEETING
GVB MAIN CONFERENCE ROOM, 3:30PM
THURSDAY; August 22, 2013

BOARD of DIRECTORS PRESENT:

Chairman Mark Baldyga
Therese Arriola
Jennifer Camacho
N. Oscar Miyashita
Norio Nakajima

Vice Chairman Bruce Kloppenburg
Eduardo "Champ" Calvo
Judith Guthertz
Milton Morinaga
Nathan Taimanglo

BOARD of DIRECTORS TELEPHONICALLY:

BOARD of DIRECTORS ABSENT:

Robert Hofmann
Annmarie Muna

Bartley Jackson

GVB MANAGEMENT & STAFF PRESENT:

Karl Pangelinan
Kraig Camacho
Gina Kono
Antonio Muna
Felix Reyes

Nathan Denight
Rose Cunliffe
Nadine Leon Guerrero
Meriza Peredo
June Sugawara

Brian Borja
Pilar Laguana
Mark Manglona
Laurette Perez

GUESTS:

Stephanie Flores – Sen. Tina Muna Barnes office
Frank Whitman – Marianas Variety



Proceedings:

Meeting called to order at 3:36 p.m. by Chairman Mark Baldyga.

- Review of the previous Regular Board minutes dated August 08, 2013.

Motion made by Director Jackson, seconded by Director Guthertz, to approve the minutes of August 08, 2013.

Motion approved (subject to correction).

Exhibit A



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❖ Chairman's Report:

- Chairman Baldyga would like a mid year review with committee Chairman and (1) staff to ensure that Board of Directors are in tune with the needs of the committees and goals are in line with developing the Tourism 2020 Strategic plan.
- Chairman will present Tourism 2020 plan to JGTA at their next meeting.
- Chairman Baldyga reported that he has confirmed Mr. Rick Egged from the Waikiki Improvement Association to be the guest speaker for the next quarterly Membership meeting. Discussions have started with his presentation content (in regards to what Waikiki has done), entities that he may be able to meet with (to optimize his time here), and tour the island to see what Guam has to offer.
- Chairman Baldyga reported that the budget hasn't been officially approved but the version that was submitted to the Governor includes our budget request with \$2 million for capital improvements. He commended Sen. Tina Muna Barnes, her staff and the Legislature for their support.

❖ General Manager's Report

Exhibit B

1. Arrivals (August 1 - 17, 2013 | Total: 73,593 | -0.1%)

% Market Mix	Origin	Pax	% to LY
70.7%	Japan	51,994	-3.6%
18.6%	Korea	13,666	20.8%
3.0%	US/Hawaii	2,221	4.3%
2.8%	Taiwan	2,071	-20.8%
0.6%	China	446	-36.5%
0.3%	Russia	205	1.0%

2. Håfa Adai Pledge

- The Offices of Senator Mike Limtiaco, Senator Brant McCreadie, Senator Mike San Nicolas and Senator Tommy Morrison joined the Pledge.
- Speaker Won Pat and Senator Tina Muña Barnes were present.
- Great opportunity to show GVB's continued support to showcase Guam's Håfa Adai spirit and promote and perpetuate the Chamorro Culture.



3. Guam Ko'ko' Half-Marathon & Ekiden Relay Press Conference

- GVB held a press conference at the PIC to announce some of the changes being made to the course.
- Presenting Sponsors were present:
 - PIC
 - United
 - Gatorade
 - DFS
 - Station of KUAM
- Board Members Present: Jen Camacho and Nate Taimanglo.
- Well attended by Media and other stakeholders.

4. "Live" Board Educational Program pursuant to Public Law 32-031.

- Distribution of Agency specific data & training CD
- Signatures of Acknowledgment

❖ Report of the Treasurer:

Exhibit D

Cash Position Report:

Cash report as of August 19, 2013.

Total cash in banks report (as of 8/19/13) \$17,117,930.41

Total allotment received to date: \$15,210,172.85

- Director Miyashita reported a healthy cash position. Discussion ensued regarding the prior years appropriations that are no longer sitting in the receivables. Prior years appropriations were written off since 2009 at the suggestion of the OPA but were received as part of the \$11 million.
- General Manager Pangelinan reported that all big obligations with the 2/12 Memorial Fund have been paid out. There are still some pending from Japan. There may be a possibility that there may be some money left over after everything has been paid out.
- Director Miyashita stated that Accounting will be looking into an interest bearing checking account, making some cosmetic changes to the reports and descriptions, and looking into the sub ledger of the budget per committee comparison.



❖ Report of the Board Committees:

A. EXECUTIVE COMMITTEE

Chairman Baldyga made a motion, seconded by Director Calvo, to nominate Vice Chairman Kloppenburg as Chairman of the Executive Committee.

Motion approved.

Vice Chairman Kloppenburg accepted.

Vice Chairman Kloppenburg made a motion, seconded by Director Calvo, to nominate Chairman Baldyga as Vice Chairman of the Executive Committee.

Motion approved.

Chairman Badyga accepted.

Chairman Baldyga made a motion, seconded by Director Arriola, to ratify the Executive Committee's approval of an additional two (2) days of travel for the Marketing Manager and Marketing Officer to attend the PATA Travel Mart 2013 in Chengdu, China from September 12-18th which will include a stopover in Beijing, China on September 12, 2013 and return on September 18, 2013. (Estimated cost: \$1,754.00 from the FY2013 Pacific PATA Account #PA-SMD026 and FY2013 Pacific Sales Market Development Acct#PA-SMD023)

Motion approved.

Estimated add'l airfare:	\$500 x 2 pax:	\$1,000.00
Perdiem:	\$377 x 2 day x 2 pax = \$377 x 2 pax =	\$1,508.00
TOTAL:		\$2,508.00

Background:

GVB will participate in this year's PATA Travel Mart 2013 in Chengdu, China from September 15-17, 2013 and would like to include two (2) additional days of travel to include a stop in Beijing, China to meet with the GVB China representatives to discuss 2014 programs and promotions and return date of travel on September 18th.

Chairman Baldyga made a motion, seconded by Director Taimanglo, to ratify the Executive Committee's approval of travel for GVB Japan Manager, Mr. Yuji Mitsumori to travel to Guam from August 18-21, 2013 to participate in Japan Marketing Services RFP presentation scheduled for August 20th and to participate in 2013 JATA planning meetings. (Cost estimate: \$1,110.00 from Account#SMD004)

Motion approved.



Travel Expenses

Airfare	(1 pax):	\$ 922.00
Per Diem (Yuji Mitsumori)	\$62.50 x 3 days	\$ 187.50
TOTAL:		\$1,109.50

Background:

An RFP was issued seeking marketing services in Japan. GVB has invited the Offerors to make an oral presentation on Guam on August 20th and have been scheduled accordingly. It is beneficial for the Japan Manager to participate as a viewing panelist during these presentations. Mr. Mitsumori while on Guam will also be engaged in senior level meetings regarding upcoming events such as JATA and GVB's 50th Anniversary.

Issue:

Board approval required for travel.

B. CULTURAL HERITAGE & COMMUNITY OUTREACH (CHaCO)

- Director Arriola reported that the last committee meeting went well.

C. GREATER CHINA:

- Vice Chairman Kloppenburg reported that Marketing will be more aggressive with its efforts, as mandated by the Board, with or without a visa waiver. Marketing Manager Pilar Laguana shared some strategies for marketing China:
 - Incentify a travel package for the travel agents / wholesalers
 - Working with research to hone in on the low period points that hotels have so we can attract agents to sell during those periods – similar to what Hawaii has done.
 - Increase advertising to the consumer
- The visa processing times has drastically changed from 2 years ago. The online processing allows it to take 4-5 days if the candidate has all necessary documents prepared.
- Director Kloppenburg suggested that an opportunity to look into is having a flight from Guam to Saipan but note that a deterrent for day traveling will be baggage fees. **Chairman Baldyga would like to invite the MVA Board to Guam.**



D. JAPAN MARKET:

Director Morinaga made a motion, seconded by Director Calvo, to approve travel for 39 pax to attend JATA Tabihaku Travel Showcase from September 11 - 16, 2013. (Account # CPO-001: Estimated cost of travel \$60,955.75; TTC001: Estimated cost of travel \$43,794.75.50, Total: \$103,478.00, includes business airfare for Governor Calvo.)

Motion approved.

Background:

Organized by the Japan Association of Travel Agents, the JATA Tourism Forum and Travel Showcase is the biggest travel event in Japan. The first biennial JATA Tourism Congress & Travel fair was held in 1977, 13 years after the 1964 liberalization of overseas travel in Japan, just as the overseas travel industry was starting to take off when the number of Japanese overseas travelers stood at 3.15 million. In 2003, the Congress and Fair became an annual event.

There are five major events that are scheduled to take place during this time period. The first is the Tourism Forum. The theme for the convention is building the foundation for a new travel culture and the featured key note speaker will be Mr. Taleb Rifai, Secretary General of the United Nations World Travel Organization and Mr. David Scowsill CEO of the World Travel and Tourism Council.

The second event is B2B meetings. The Bureau will meet directly with travel agents and group planners encouraging them to select Guam for their clients.

The third event is the Travel Showcase where thousands of people attend. In 2012 over 120,000 members of the travel trade and consumers attended the JATA providing many opportunities to meet with travel industry planners, media and consumers.

The fourth event is the JATA Grand Prix marketing awards. The fifth event is GVB celebration of our 50th Anniversary in Japan. This event is scheduled for September 13, 2013.

CHaCO	Per Diem Rate	No. of Days	
Theresa Arriola	\$636.25	2	\$1,272.50
Nathan Denight	\$636.25	5	\$3,181.25
Dee Hernandez	\$509.00	5	\$2,545.00
Kraig Camacho	\$509.00	5	\$2,545.00
Ana Cid	\$509.00	4	\$2,036.00
3 Miss Guam (Liza, Charlene, Katarina)	\$509.00	4	\$6,108.00
2 Musician	\$509.00	4	\$4,072.00
6 Cultural Entertainers	\$509.00	4	\$12,216.00
2 carvers (Rico Evangelista & Mark Terlaje)	\$509.00	4	\$4,072.00
3 weavers	\$509.00	4	\$6,108.00
Airfare (21 pax x \$800.00)			\$16,800.00
			\$60,955.75



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Marketing	Per Diem Rate	No. of Days	Total
Governor Calvo	\$661.70	2	\$1,323.40
Speaker Won Pat	\$661.70	2	\$1,323.40
Vice Speaker Cruz	\$661.70	2	\$1,323.40
Senator Barnes	\$661.70	2	\$1,323.40
Senator Tony Ada	\$661.70	2	\$1,323.40
Governor Security	\$509.00	2	\$1,018.00
GVB Chair Baldyga	\$636.25	2	\$1,272.50
JMC Chair Morinaga	\$636.25	3	\$1,908.75
JMC Chair Nakajima	\$636.25	2	\$1,272.50
BOD Judith Guthertz	\$636.25	2	\$1,272.50
General Manager K. Pangelinan	\$636.25	2	\$1,272.50
Nadine Leon Guerrero	\$509.00	5	\$2,545.00
June Sugawara	\$509.00	2	\$1,018.00
Elaine Pangelinan	\$509.00	5	\$2,545.00
Doris Ada	\$509.00	2	\$1,018.00
Antonio Muna	\$509.00	5	\$2,545.00
Ruby Santos	\$509.00	5	\$2,545.00
Jesse Bias	\$509.00	5	\$2,545.00
Airfare (18 pax x \$800.00 est.)			\$14,400.00
			\$43,794.75

Issue: Board approval required for all travel

Chairman Baldyga made a motion, seconded by Director Miyashita, to authorize Chief Procurement Officer (General Manager) to begin negotiations and if successful, enter into contract with the highest ranking qualified offeror for RFP 2013-003 Marketing Services in Japan.

Motion approved.

Background:

Current contract for marketing services in Japan expires on September 30, 2013. An RFP was issued on July 1, 2013 to seek a new multi-year contract. The evaluation committee completed their ratings on August 20, 2013 and has recommended to the Chief Procurement Officer to begin negotiations with the highest ranking Offeror.

Issue:

Board approval required to authorize the Chief Procurement Officer to proceed with the negotiation process.



E. KOREA MARKET:

Exhibit E

- Director Miyashita reported that both Jeju Air and Jin Air have announced additional flights to Guam. Jeju Air will start on November 01 and Jin Air will start on October 27. This will constitute an additional 131,400 seats. Both airlines have reported having very good load factors and hope that the momentum will sustain.
- Director Miyashita reported that Korea travel agents (KTAG) met on August 15 and was an initial success. The meeting was facilitated by GVB's Korea representative Henry Lee. It was attended by (8) agents and was decided that they will form an official organization that will meet every quarter.
- Director Miyashita reported the next (2) trips will be the (2) city Road show in Daegu & Busan. A meeting with the Busan Mayor & another airline to promote direct flights from Busan are being planned.

F. MEMBERSHIP DEVELOPMENT

- Vice Chairman Kloppenburg reported a very poor return with only 25% responding on the survey results that went out to Membership. The deadline has been extended and will be more aggressive. Some results are hoped to be produced by the Quarterly Membership meeting and also having it done during the meeting.
- Guest Speaker Rick Egged from the Waikiki Improvement Association has confirmed.

G. NORTH AMERICA & PACIFIC (NAP)

Director Camacho made a motion, seconded by Director Guthertz, to authorize the General Manager to proceed with contract negotiations phase with the highest-ranking qualified Offeror in response to GVB RFP 2013 - 006, Tourism Destination Marketing Representation Services in Philippines.

Motion approved.

Background:

The current contract is expiring on September 30, 2013. Therefore, GVB is seeking to award a multi - year single contract for the services of a professional marketing / public relation agency to act as GVB's Marketing Representative in the Philippines.

A new RFP was issued on July 23, 2013. Deadline to receive proposals in response to this RFP was 5:00 p.m., August 15, 2013. This motion will enable the GM to



proceed with contract negotiations with the highest-ranking qualified Offeror as determined by the evaluation committee.

Issue:

Board approval required.

- Discussion ensued regarding directors participation in the review & evaluation of big, long term RFPS/RFBs.

H. RESEARCH:

- Director Taimanglo reported that Research has the comparative market share data of Japan, Okinawa and Hawaii. Annual reports, strategic plans from Saipan, Okinawa and Hawaii have also been compiled. Chairman Baldyga requested to see if we can also find the visitor spend and fundamental key statistics of these other destinations.

I. DESTINATION MANAGEMENT:

J. RUSSIA & NEW MARKETS DEVELOPMENT

Exhibit F

- Director Guthertz reported that Department of Education has Russian students in the public schools this year. GVB's Marketing Manager Pilar Laguana added that this is a result of the University / GVB partnership visiting Vladivostok and meeting with Far East University in Vladivostok. UOG has been developing this relationship with the University since the announcement of the US visa waiver. She commended the great work of Catherine Moore - Lin and hopes this will also bring Russian speaking professors to help our industry.

K. SPORTS & EVENTS

- Director Taimanglo reported that the Jack Nicklaus Academy was held and was a success.
- Director Taimanglo reported that the Koko Road Race press conference was held today and was well attended.
- Director Taimanglo reported that (2) events (GIM & GCDA) are the nominees for the Governor's Physical Fitness Awards.

L. ADMINISTRATION / GOVERNMENT RELATIONS:

Exhibit G



OLD BUSINESS



❖ NEW BUSINESS

Exhibit H

➤ Tax Incentives for Renovation

Chairman Baldyga made a motion, seconded by Vice Chairman Kloppenburg, to change the current 3:30p.m. meeting time of the Regular Board of Directors meeting to 4p.m. starting September 26.

Motion approved.

Chairman Baldyga made a motion, seconded by Vice Chairman Kloppenburg, to cancel the upcoming September 12 Board meeting due to off island travel of most of the Board of Directors.

Motion approved.

❖ EXECUTIVE SESSION

➤ None

❖ ANNOUNCEMENTS

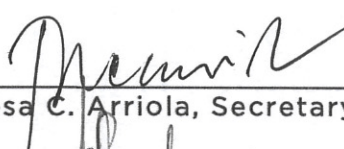
➤ Chef's Cup - University of Guam Foundation

- Wednesday - August 28
- Sheraton Laguna
- 5:30p.m. - 9:00p.m.

❖ ADJOURNMENT:

Motion made by Vice Chairman Kloppenburg, seconded by Director Miyashita to adjourn the meeting. Meeting adjourned at 4:38p.m.

Motion approved.



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



Board Minutes prepared by Meriza Peredo, Executive Secretary