



REGULAR BOARD MEETING
GVB MAIN CONFERENCE ROOM - 4:00PM
THURSDAY; April 24, 2014

BOARD of DIRECTORS PRESENT:

Chairman Baldyga	Oscar Miyashita
Milton Morinaga	Norio Nakajima
Eduardo "Champ" Calvo	Robert Hofmann
Theresa Arriola	Nathan Taimanglo
Judith Guthertz	Jennifer Camacho

BOARD of DIRECTORS TELEPHONICALLY:

Bartley Jackson

BOARD of DIRECTORS ABSENT:

Vice Chairman Kloppenburg
Annmarie Muna

GVB MANAGEMENT & STAFF PRESENT:

Karl Pangelinan	Debi Phillips	Rose Cunliffe
Colleen Cabedo	Ana Cid	Laurette Perez
Joshua Tyquiengco	Doris Ada	Regina Nedlic
Brian Borja	Gina Kono	

GUESTS:

❖ Proceedings:

The regular meeting of the Board was called to order at 4:14 p.m. by Chairman Baldyga.

Review of the previous Regular Board minutes dated April 10, 2014.

Exhibit A

Motion made by Director Guthertz, seconded by Director Calvo, to approve the minutes of April 10, 2014.

Motion approved (subject to correction).



❖ Acting Chairman's Report:

- Chairman Baldyga reported that under new business the board would discuss the proposed Bill 316, which seeks to incrementally increase the minimum wage from \$7.25 to \$10.10 by 2017.
- Also reported that Director Jackson will be calling into the meeting.
- Lastly, reported that he will be travelling to Russia on business.

❖ Acting General Manager's Report:

Exhibit B



PRELIMINARY MTD Visitor Arrivals Apr 1 - 17, 2014 Total: 55,516 (5.7%)

% Market Mix	Origin	Pax	% to LY
59.7%	Japan	33,137	-9.2%
24.6%	Korea	13,656	69.3%
4.7%	US/Hawaii	2,607	-9.1%
2.8%	Taiwan	1,549	14.1%
0.6%	China	357	28.9%
1.7%	Russia	922	222.4%

Japan Marketing News

- Gulliver International 20th Anniversary
 - 1750 pax, April 14 - 19
 - Nationwide used and new car sales company
- Chairman Hatori (73) ran the GIM



Japan Marketing News

- Group and MICE
 - Over 60 groups or MICE coming to Guam between April – September
 - Pax range from 20 – 180 pax
 - Stork – 2nd trip to Guam 875 pax here on the weekend

Japan Marketing News

- Fukuoka GLP – 3/27 – 30
 - Estimate \$30K in publicity
 - Side trip to Karatsu, meeting with Mayor Sakai
 - Karatsu participating in GMIF
- Tokyo GLP – 4/11-13
 - Visit with JATA, Tokyo FM and Tokyo Shimbun
 - Event held at Lalaport
- Est. 5,000 packets distributed per GLP
- Marine Dive Fair – Tokyo 4/4-6
 - Great support from local dive companies
 - 51,598 consumers to show
 - San Ai annual swimsuit survey



Japan Marketing News

JGTC Meeting

- New JGTC Kanto Chairman – Mr. Tajima, R&C Tours President & CEO
- Agents reporting less customers but higher yield
- Many agent strategies changed to focus on yield
- Tour prices increasing 20 – 30%
- JTBWV – stated flight cancellations due to snow caused their decrease in pax, planning GW charters

Korea Marketing News

3 Month Forecast

Month	Forecast Pax	Last Year	%Change	Seat Forecast '14	Seat Data '13	% Change Seats
April	22,000	15,254	44.2%	29,894	20,364	46.8%
May	22,500	18,513	21.5%	31,565	21,359	47.8%
June	24,500	20,384	20.2%	30,744	21,447	43.3%

Flights

April
 - KE Flight : locked = 7 per week = 10,950 (8777-400)
 - Busan KE : Wed, Thu, Sat, Su = 2,384 (8737-800)
 - Jin Air : locked = 7 per week = 5,400 (8737-800)
 - Jeju Air : locked = 7 per week = 5,580 (8737-800)
 - Jeju Air Extra : locked = 7 per week = 5,580 (8737-800)

Total 29,894

May
 - KE Flight : locked = 7 per week = 11,315 (8777-400)
 - KE Charter : S/L = 276 (A330-300)
 - Busan KE : Wed, Thu, Sat, Su = 2,682 (8737-800)
 - Jin Air : locked = 7 per week = 5,580 (8737-800)
 - Jeju Air : locked = 7 per week = 5,766 (8737-800)
 - Jin Air Charter : S/L = 180 (8737-800)
 - Jeju Air Extra : locked = 7 per week = 5,766 (8737-800)

Total 31,565

June
 - KE Flight : locked = 7 per week = 10,950 (8777-400)
 - Busan KE : Wed, Thu, Sat, Su = 2,682 (8737-800)
 - Jin Air : locked = 7 per week = 5,580 (8737-800)
 - Jeju Air : locked = 7 per week = 5,766 (8737-800)
 - Jeju Air Extra : locked = 7 per week = 5,766 (8737-800)

Total 30,744

Korea Marketing News

Guam Segment Market Share



	2013 Jan.~Mar.	2014 Jan.~Mar.	% var.
Guam Arrival	58,268	73,495	26.1%
Guam MICE	2,002	2,200	9.9%
Guam MICE Market Share	3.4%	3.0%	

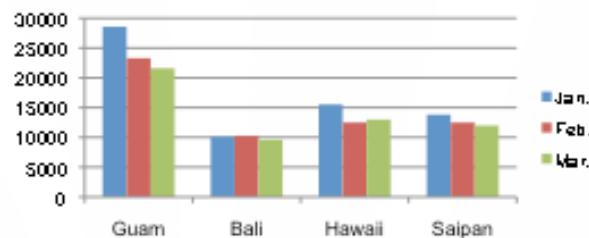
GSA working together as a team with hotel vendors, MICE agents and Airlines to promote to Mice Group organizers and planners.

Korea Marketing News

Competitive Destinations

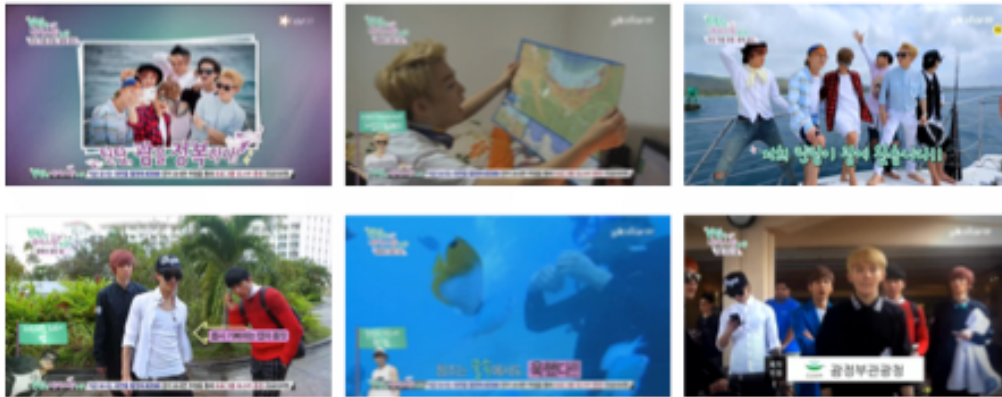
2014	January	February	March	Total	Market Share
Guam	28,590 (Act)	23,305 (Act)	21,600 (Act)	73,495	1.9%
Bali	10,100	10,250	9,600	29,950	0.8%
Hawaii	15,530 (Act)	12,500	13,000	41,030	1.0%
Saipan	13,823 (Act)	12,500	12,000	38,323	0.9%
Korean Outbound	1,468,903 (Act)	1,312,683 (Act)	1,160,000	3,941,586	

* Blue forecast



Korea Marketing News

3 month Activities/Programs



Teen Top: 7th episode aired on April 5 on TV channel Y STAR – 47 mins
Re-run on sister media 5 TV channel (Comedy, Dramax, AXN, Life N, The drama)

Korea Marketing News

Media Exposure: Busan Activities, Tourism 2020 & GIM



Cruise Industry News

Sapphire Princess Visits Guam - April 17, 2014



- GVB welcomed 2,670 Passengers & 630 Crew
 - Vice Speaker BJ Cruz, Sen. TM Barnes, GM Karl Pangelinan & Mayor Hofmann met with captain and crew.
 - Cultural Dance Group performed on ship's main stage
 - Next Cruise Visit: Silver Explorer, September 30th
- Director Calvo had a question if the cruise line would be the same as the one porting in September. General Manager replied by saying that it should be a different cruise line.
 - Director Hofmann added that the staff of the Sapphire Princess Cruise was very impressed by Guam's water. Staff of the cruise ship reported that Guam has the cleanest water they've seen at a commercial port.

Taiwan Marketing News

3 Month Forecast

Month	Forecast Pax	%Change	Last Year	Seat Forecast 14	Seat Data 13	% Change Seats
April	3,296	8.7%	3,031	4,708	4,708	0%
May	3,809	10.6%	3,443	4,761	4,761	0%
June	4,548	-10.4%	5,078	5,168	5,673	-8.9%

The reason for a decrease in seats in June is because EVA flight offered 2 charter flights in June last year. The extra flights for EVA this summer will be scheduled from July 2.

Flight / Seat breakdown

April

- CI Flight : Taipei 2x per week = 2,440
- EVA Air : Taipei 2x per week = 2,268

Total 4,708

May

- CI Flight : Taipei 2x per week = 2,745
- EVA Air : Taipei 2x per week = 2,016

Total 4,761

June

- CI Flight : Taipei 2x per week = 2,745
- CI extra flight *1 = 155 (8+1 charters starting from Jun 27 to Jul 25 with 738 aircraft /155 seats)
- EVA Air : Taipei 2x per week = 2,268
- *EVA extra flight for this summer: 11+2 charters starting from July 2 to Jul 20 with 332 aircraft /252 seats)

Total 5,168

Taiwan Marketing News



Apr. - June

'Chew People' magazine Cover Story

- Veda co-op with 'Chew People' magazine for its June cover story, 2 media fam tours are being conducted in April on GIM and GMIF.
- GIM fam tour was conducted Apr. 9th-16th
- GMIF fam tour will be conducted during Apr.27th-30th.
- Proposed topic: '50 things you can do in Guam'.

Pacific Marketing News

Asia Dive Expo 2014 (April 11-13, 2014, Marina Bay Sands Convention Center)

- Guam Delegation: Felix Reyes & Mark Manglona
- GVB met with United to discuss fam tour to Guam with travel agents later this year.
- GVB also met with dive enthusiasts looking for new and exciting destinations and heard about the amazing diving in Guam and Micronesia.
- e Courtesy visit/meet regarding FESTPAC 2016
- Invitation for Guam Delegation to participate in the upcoming Taiwan Folk Festival in July 2014



North America Marketing News

U.S. Travel Association's 46th Annual IPW 2014

- Took place from April 6-9, 2014 in Chicago, Illinois
- GVB occupied three (3) booth spaces
- Event saw over 6,200 travel suppliers and over 1,400 international and domestic travel buyers
- GVB met with approximately 115 appointments in the 3-day B2B event; over 40 requests from China and a dozen appointments with European media



China Marketing News



Guam International Marathon MEDIA
FAM Tour
April 11 - 14, 2014



Beijing Huayuan International Travel
Service TA FAM Tour
April 14 - 19, 2014

Guam International Marathon

Sunday, April 13, 2014 in front of Ypao Beach Park



- Record turnout: 2,949 runners
- Koki Kawauchi from Japan won the marathon with a time of 2:38:06
- 2015 Guam International Marathon set for April 12, 2015

Guam Micronesia Island Fair

April 25-27, 2014 at Ypao Beach Park



- Island delegations & Karatsu delegation featured in "Legends of Micronesia."
- Grammy-award winning reggae group "Inner Circle" to perform Saturday & Sunday.
- Heroes Homecoming celebration on Saturday for nearly 600 Guam Guard soldiers that recently returned from Afghanistan deployment.
- Food, art, culture, music and fireworks on display for 27th annual event.

- Director Guthertz questioned how the Heroes Homecoming celebration would be funded.
 - General Manager, Karl Pangelinan replied by stating that it would be a fundraised event. GVB members will be participating in the event and will be distributing coupons worth \$50,000.00.



❖ Report of the Treasurer:

Exhibit C

Cash Position Report:

Cash report as of April 22, 2014.

Total cash in banks report (as of 4/22/14) \$14,957,406.31

Total allotment received to date: \$9,599,495.00

Accounts Receivable FY2014: \$8,662,639.00

Accounts Payable to Date: \$6,845,133.61

- Director Miyashita reported that allotment received is higher than last year.
 - Staff is still being consistent with collecting allotments.
 - Reported that total assets are higher than last year.
- Chairman questioned where the capital projects, such as bus shelters, CCTV, Japan special marketing, China Program, etc. are being taken out from.
- Controller, Rose Cunliffe responded by stating that all capital projects will be taken out from operational accounts.
 - Confirmed that TAF, Rainy Day Fund, and Morgan Stanley accounts are reserved accounts.
 - Reported that the \$400,000 Japan Special Marketing would be funded by the Bank of Guam operational account.
 - Also reported that GVB received its \$1 million 2009 allotment, which will be used to fund the China Visa Incentive Program.

❖ Report of the Board Committees:

A. EXECUTIVE COMMITTEE

Guam Live International Music Festival

Director Calvo made a motion, seconded by Director Guthetz, to approve GVB General Manager or designee to travel to Seoul, Korea from April 20-21, 2014 to attend meetings with Lotte Duty Free regarding Guam Live Title Sponsorship support. (Cost is approximately \$1,387.50 and will come from the FY2014 Korea Sales Market Development Account KO-SMD023.)

Chairman Baldyga made a motion, seconded by Director Guthetz, to amend said motion to remove the words “from April 20-21, 2014”.

Motion Amended.

Amended Motion Approved.

Travel Expenses:

Description	Breakdown	Total
Airfare:	\$800.00 x 1 pax	\$800.00
GVB General Manager or designee	Lodging: \$287.50 x 1 night x 1 pax = \$287.50 M&IE: \$150.00 x 2 days x 1 pax = \$300.00	\$587.50
	Total	\$1,387.50

Background: GVB announced sponsorship opportunities to our membership for the Guam Live International Music Festival scheduled for June 6 & 7, 2014. Lotte Duty Free has shown strong interest in signing on as the title sponsor (US\$50,000 investment), as well as possibly providing Korean music talent and other support to the festival. Lotte would like to schedule a meeting with GVB Management on Monday, April 21, 2014 in Seoul to discuss further. They would also like to have GVB do an inspection of the 17th Lotte Duty Free Family Concert, which will be held at the Olympic Gymnastics Hall on Sunday, April 20th. This will provide GVB the opportunity to see the types of talent Lotte can offer, in addition to the overall experiences their concert provides to Korean, Japanese and Chinese customers that will be in attendance.

Issue: Board approval for travel required.

Guam Micronesia Island Fair / Karatsu City Delegation visit

Director Calvo made a motion, seconded by Director Guthertz, to ratify Executive Committee's approval for travel of one GVB Tokyo staff, to attend GMIF & Karatsu City Delegation visiting Guam on 24 ~ 27 April 2014. Also having a meeting with H/O Accounting. (Estimated cost \$800.68; account # SMD004).

Motion Approved.

Breakdown is as follows:

Airfare for Tokyo/Guam round trip (1 pax)	\$525.68
Per Diem GVB Tokyo Staff \$62.5 x 4 nights x 1 pax	\$250.00
Round transportation to NRT airport x 1 pax	\$25.00
TOTAL	\$800.68

Background: In addition to GVB Osaka staff, one Tokyo staff will also assist in Karatsu City delegation for attending GMIF. GVB Japan staff will assist in their courtesy calls and a reception on Guam. Also having a meeting with H/O accounting.

B. ADMINISTRATION & GOV'T RELATIONS

- Director Guthertz questioned if TAF releases are coming in regularly.
- Controller, Rose Cunliffe reported that they are catching up.

C. DESTINATION MANAGEMENT

- Director Hofmann reported that they are changing out three beach trash receptacles that were damaged.
- Also reported that they are working with GFD to paint fire hydrants, which may be contracted.
- Reported that filling potholes in Farenholt Street is almost complete. They will continue efforts in the coming weeks.

D. CULTURAL HERITAGE & COMMUNITY OUTREACH

Director Arriola made a motion, seconded by Director Guthertz, to approve travel for six (6) pax (one Miss Guam, one musician, & four cultural entertainers) to attend the 2014 Pacific International Tourism Expo (PITE) in Vladivostok, Russia from May 15-19, 2014 (Cost approximately \$21,024.00 from Account No. CPO008).

Motion Approved.

Breakdown:

Airfare:	\$1,500.00 x 6 pax = \$9,000.00
Per Diem:	
Lodging:	\$221.00 x 6 pax x 4 nights = \$5,304.00
M&IE:	\$114.00 x 6 pax x 5 days = \$3,420.00
Prof Fees:	
Miss Guam:	\$100.00 x 3 days = \$300.00
Musician:	\$100.00 x 3 days = \$300.00
Dancers:	\$50.00 x 4 pax x 3 days = \$600.00
Visa:	\$350.00 x 6 pax = \$2,100.00

Total Expense: \$21,024.00

Background: The Pacific International Tourism Expo (PITE) is the largest annual travel show in the Far East of Russia which was established to discover new business opportunities, network with leading tourism professionals, and preview what is hot and new for travel markets of Primorsky Territory and Pacific Asia. More than 9,000 travelers/visitors were present at last year's show, which also featured over 140 exhibitors.

GVB's main objective is to initiate marketing efforts and to bring awareness of our destination to trade and consumers in the Far East. A Guam Presentation for our participating companies is being scheduled to introduce themselves and their product/service to travel agents.

Issue: Board approval needed for all travel.

Discussion:

- Director Arriola reported that this is a first contingent to Russia.
- Pa'a Taotao Tano is creating a partnership with Two Lovers Point to cater the Russian market.
- Director Jackson added that this is one of the biggest shows of the year in Russia.
- Additionally, Director Arriola reported that the weekend will be very busy with four events: 1) Guahu Taotao Tano Play, 2) GMIF – followed by Karatsu reception at Hilton, 3) University of Guam Chamorro theater show, and 4) Merizo Fiesta.

**E. SPORTS & EVENTS**

Director Camacho made a motion, seconded by Director Guthertz, to approve travel for GVB General Manager to travel to Sapporo, Japan to participate in the activities associated with the Toyohiragawa Marathon from May 4-6, 2014. Account number JA-MAR001 (Estimated cost of travel: \$2,081.23)

Motion Approved.

Background: A Sisterhood Race Agreement was signed May 3, 2011 with the Guam Visitors Bureau and the Hokkaido Track and Field Association. The sisterhood race agreement summarized the arrangements necessary for both race events', which includes commitment to attend the Toyohiragawa River Marathon and Guam Ko'ko' Road Race for both parties. Hotel accommodations are being provided for the Guam delegation in Sapporo courtesy of Nikkan Sports.

Issue: Board approval required for all travel.

Cost Estimate:

Airfare: General Manger	\$1,803.73	x 1 pax	\$1,803.73
Per Diem (Meals & Incidental Expenses only)	111+25%=	X 2 days	\$277.50
TOTAL			\$2,081.23

Discussion:

- General Manager reported that he would be running the 10k.
- Director Taimanglo reported that they didn't hold a sports meeting last time due to focusing on the Guam International Marathon.

F. MEMBERSHIP DEVELOPMENT

- Director Camacho reported that the next membership meeting would be held June 27, 2014.
- Director Guthertz questioned if there can be a category in membership for students. She explained that there are students in tourism from UOG and GCC that would benefit from being apart of the quarterly membership meetings. She goes on to add that it would be a great opportunity to learn and network with businesses that are involved in the tourism industry. She requested that there be a category created for students to attend these meetings, free of charge, and to coordinate with the colleges on these opportunities.
- The board agreed that it is a good idea to have students involved, but questioned how it can be incorporated in the GVB bylaws. Some directors suggested incorporating students as honorary members, some suggested not having a student section, but rather, work with the colleges and have reserved seats. Another suggestion was to edit the GVB bylaws to create a new category just for students.
- After discussing different opinions, Director Camacho recommended that the membership committee would look into it and come back with a proposal for student membership.



G. RESEARCH:

- Nothing to report.

H. JAPAN MARKETING

Committee Minutes Dated April 16, 2014

Exhibit D

- Director Morinaga reported that the Taiwan market took the anime character that they were going to use for Guam. Reported that ADK would come back with an alternative.
- Also reported that people in Japan are not really traveling overseas. There are a lot of events that are happening within Japan and most people are travelling domestically.
- Reported that there will be a reception dinner for the Karatsu delegation at 7pm at Hilton, April 25th.
- Board discussed immigration line issue, stating that it still takes about 2 hours to go through. Chairman Baldyga reported that he recently had a meeting with US immigrations. US immigrations reported that some of the reasons why the process takes long is because the forms are too long and most of the time the forms are filled out incorrectly.
- The issue with the insignificant amount of staff was addressed at the meeting. Chairman Baldyga reported by stating that US immigration mentioned that the ratio of staff is about the same across the board and that it's highly unlikely that they will be increasing staff.
- Their suggestion was to have an ETSA kiosk to help facilitate processing. Individuals in the immigration line would process through ETSA and then to physically hand documents to an actual TSA.
- Chairman Baldyga mentioned that there should be monthly meetings with US immigration to help combat the issue.
- Director Guthertz requested that management write to Congresswoman, Madeline Bordallo, to help expedite the processing of getting the ETSA Kiosk sooner.

I. KOREA MARKETING

Committee Minutes Dated April 15, 2014

Exhibit E

Director Miyashita made a motion, seconded by Director Guthertz, to approve travel for the GVB General Manager and Marketing Officer to meet with the Korea-Guam Marketing Committee (KGMC) Busan Chapter and to join the Hana Tour International Travel Fair in Ilsan, South Korea during May 23-25, 2014. Cost is approximately \$4,920.00 from the FY2014 Korea Sales Marketing Development Acct# SMD023.

Motion Approved.

Airfare	\$750 x 2 pax	\$1,500.00
Per Diem - Lodging (GM)	\$230/day x 25% x 4 days	\$1,150.00
Per Diem - M&IE (GM)	\$120/day x 25% x 5 days	\$750.00
Per Diem - Lodging (Staff)	\$230/day x 4 days x 1 pax	\$920.00
Per Diem - M&IE (Staff)	\$120/day x 5 days x 1 pax	\$600.00
	TOTAL	\$4,920.00



Background: The Hana Tour Int'l Travel Fair is hosted by Korea's top outbound travel agency, Hana Tour. Encouraged by last year's participation success, including many local industry organizations, GVB hopes to show Hana Tour its commitment and support to continue pushing Guam sales.

This will be the third time GVB is joining the event. During the 2013 event, more than 60,000 visited the fair and 500 organizations from all over the world were represented. The fair is a key direct selling and presentation event for overseas destinations and GVB's presence will provide support to its members who will be attending while elevating awareness of Guam to consumers, trade and trade media.

1,500 tour packages to Guam were sold at the 2013 event. GVB will bring a cultural group and a Miss Guam to the event to generate interest.

Issue: Board approved for travel required.

Discussion:

- Director Miyashita reported that the last KMC meeting was April 16 and that the next meeting will be held on May 15.
- Director Guthertz suggested that the executive committee draft and approve something to show Guam's sympathy to those families that were affected by the tragic ferry incident.

J. NORTH AMERICA & PACIFIC MARKETS

Committee Minutes dated April 02, 2014

Exhibit F

Director Guthertz made a motion, seconded by Director Arriola, to approve travel of two (2) GVB Marketing staff to attend the Scuba Show 2014, to be held June 7 - 8, 2014 in Long Beach, California and the Guam/Micronesia Product Update Seminars/Roadshow in Long Beach, California, during June 9-11, 2014. (Travel cost approximately \$9,290.00; Acct. #US-TTC066)

Motion Approved.

Airfare (\$2,500 x 2 pax)	\$5,000.00
Per Diem - Lodging (\$133/day x 6 nights x 2 pax)	\$1,596.00
Per Diem - M&IE (\$71/day x 7 days x 2 pax)	\$994.00
Excess Baggage	\$200.00
Miscellaneous/Unanticipated & Event/Roadshow Expenses	\$1,500.00
	\$9,290.00

Background: The Scuba Show attracts more than 11,200 consumers with around 72% looking for dive destinations and looking to explore destination exhibits. GVB's presence at the 2012 Scuba Show generated significant interest with many inquiries about Guam and it's underwater offerings but opted not to participate in 2013 due to budget constraints.

At the recent LA Times Travel Show in Los Angeles and LA Travel & Adventure Show in Long Beach, many consumers who visited the GVB booth inquired about diving and diving related activities on Guam and the region. Diving and Adventure travel is a big component



of the FY14 North America / Military Marketing Plan, GVB plans to participate to showcase Guam as an undiscovered dive destination, including the varied dive sites, year-round warm weather and waters, and the myriad of above-water activities divers can participate in.

Micronesian partners from Palau, Yap, Chuuk, and Kosrae, along with UNITED, are joining together to create a regional dive and travel presentation.

After the Scuba Show, the GVB team plans to host a series of seminars and workshops with area active travel agents and Chamorro Organizations to provide Destination Guam and Micronesia Product Updates. Additionally, they will meet with California based Chamorro clubs and organizations to discuss GVB's social media outreach and database development to try to raise awareness about Guam and encourage Guam travel as part of the 2014 Visiting Friends and Relatives marketing strategy.

Issue: Upon no further discussion of the motion, motion was approved.

70th Guam Liberation Motion

Director Guthertz made a motion, seconded by Director Arriola, to approve airfare support for visiting Guam Liberators during the 70th Guam Liberation event in July 2014. Cost is \$1,000.00 per Liberator and up to \$5,000.00 from the FY2014 U.S. Sales Marketing Development Acct# SMD023.

Chairman Baldyga made a motion, seconded by Director Guthertz, to amend said motion to remove the word "airfare", replace the word "\$1,000.00" to "\$2,500.000", and to remove the words "and up to \$5,000.00".

Motion Amended.

Amended Motion Approved.

Background: Guam Liberators are getting too old to travel and many who are able do not have the resources to make the long haul trip from their respective place of residence to Guam.

To show support for their WWII deed in liberating Guam, and as a gesture of goodwill as this may be the last time Guam will see Liberators visit, GVB is proposing extending up to \$1,000.00 per Liberator to help off-set the cost of their airfare to Guam.

To date, two Liberators are confirmed and three more are pending.

Issue: Board approved for travel required.

**K. GREATER CHINA MARKETING**

Committee Minutes dated April 11, 2014

Exhibit G

International Travel Expo & MICE (ITE)

Director Hofmann made a motion, seconded by Director Guthertz, to approve travel for two (2) GVB Marketing staff to attend the 28th International Travel Expo (ITE) & MICE from June 11-16, 2014 in Hong Kong, SAR. (Cost approximately \$7,748.00 and will come from the FY2014 ITE 2013 Account HK-TTC078.)

Motion Approved.

Travel Expenses:

Description	Breakdown	Total
Airfare:	\$1,000 x 2 pax	\$2,000.00
GVB Marketing Staff (2 pax):	Lodging: \$358.00 x 5 nights x 2 pax = \$3,580.00 M&IE: \$139.00 x 6 days x 2 pax = \$1,668.00	\$5,248.00
Unanticipated expenses:	Excess baggage fees / communication expenses	\$500.00
	Total	\$7,748.00

Background: ITE & MICE is Hong Kong's largest travel expo that focuses on both travel trade and consumer audiences. On June 12 and 13, the Expo will open only to travel trade and MICE industry professionals. June 14 and 15 will feature open doors to consumers. ITE & MICE 2013 drew from 46 countries and regions worldwide 680 international exhibitors, 86.5% of which from abroad; 11,872 regional buyers and trade visitors with 28% from mainland China and abroad; and 73,200 visitors in public days with 80% prefer traveling FIT / tailor-made tour.

By attending ITE & MICE 2014, GVB has will maximize the opportunities to promote Guam to both travel trade and directly to consumers. The expo also includes trade seminars and MICE seminars where the Bureau can create and leverage existing relationships with seminar attendees to Guam's advantage.

Issue: Board approval for travel required.

L. RUSSIA & NEW MARKETS

- Director Jackson confirmed that there would be three cities from Russia that will be flying to Guam by the end of the month.
- Reported that there will be a FAM Tour from Russia will be on Guam to observe the GMIF.



❖ OLD BUSINESS

- No old business.

❖ NEW BUSINESS

1. **Discussion:** Bill 316, proposed legislation, which seeks to incrementally raise Guam's minimum wage from \$7.25 to \$10.10 by 2017.
 - Director Jackson stated that he had already testified on behalf of GHRA and his business. He went on to add that Guam's economy is very fragile and the cost to support the increase in the minimum wage may be detrimental.
 - Chairman Baldyga suggested that the board get feedback from its membership to see how the Bill might impact their business/businesses. He requested that the survey to be crafted as soon as possible, to be disseminated to its membership, and to receive results by Monday.
 - The board discussed issues surrounding the impact of the Bill by stating that the quality of service must go down and it would be a matter of survival for some businesses.
 - Director Arriola reported that she was in favor of the Bill and defended cultural practitioners.
 - After the board shared their opinions they turned to vote on the Bill.

Director Jackson made a motion, seconded by Director Calvo, to vote as a Board to oppose Bill 316, due its negative impact on tourism.

Motion moved by 8 Directors: Chairman Baldyga, Director Calvo, Director Jackson, Director Miyashita, Director Morinaga, Director Taimanglo, Director Nakajima, and Director Hofmann.

Motion not moved by 2 Directors: Director Arriola and Director Guthetz.

Motion approved by majority vote.

Director Calvo made a motion, seconded by Director Taimanglo, to vote as a Board to oppose the Bill reducing GRT if it is tied to raising the minimum wage.

Motion approved by unanimous consent.

2. **Discussion:** proposed motion for up to \$25,000.00 for a consultant to provide hospitality and hotel investment study and a tax incentive program.
 - After Chairman Baldyga and General Manager, Karl Pangelinan returned from HICAP they've considered hiring a consultant to help create a package that would be attractive for investors. GVB would be working with GEDA to fund for a consultant to provide hospitality and hotel investment study and a tax incentive program. GEDA already has a consultant, but would like to hire an additional consultant to fulfill the scope of work.



Chairman Baldyga has been talking to David John from GEDA to approve up to \$25,000 and is determining how it will be administrated.

- Chairman Baldyga asked approval from the board to have executive committee work on crafting a motion and to approve.
- Board agreed to the following idea to have a consultant for those purposes and agreed to have executive committee craft a motion, approve via excomm, and to be ratified by the board.

❖ EXECUTIVE SESSION

- No executive session.

❖ ANNOUNCEMENTS

Next Board Meeting:

- Thursday, April 24, 2014 at 4:00pm, GVB Main Conference Room

GVB Events:

- Ride the Ducks Grand Opening; April 12, 2014
- 76/Circle K Smokin' Wheels; April 11 ~ 13, 2014
- Talofofo Banana Festival; April 11 ~ 13, 2014 at Ipan Beach Park
- Guam International Marathon (GIM); Sunday, April 13, 2014
- Guam Micronesia Island Fair (GMIF); April 25 ~ 27, 2014

❖ ADJOURNMENT

Chairman Baldyga called the meeting to a recess at 5:53pm.

Chairman Baldyga made a motion, seconded by Director Taimanglo, to enter into recess. The board to reconvene on Tuesday, April 29, 2014 at 4:00PM in the GVB Main Conference Room.

Motion approved.¹

Action Items 04/24/14:

¹ Due to technical difficulties, the last three motions made by the board were not recorded, but were drafted manually.



1. Mid year Committee review

2. MEMBERSHIP

3. ACCOUNTING

➤ JAPAN

➤ DMC

- Chairman Baldyga requested a detailed master task list on excel to prioritize all tasks and to set by quarter to be completed. (1/23/14)

➤ KMC

➤ GREATER CHINA

➤ RUSSIA AND NEW MARKETS

➤ NAP

➤ ADMINISTRATION / GOVERNMENT RELATIONS

- Chairman would like to have an update on the Tumon Flooding Mediation Plan and all capital projects. (2/27/14)
- Chairman reminded that he would like Senator Guthertz, GM, and himself to hand deliver the Tourism 2020 plan to senators to seek support for TAF funds. (2/27/14)

➤ SPORTS & EVENTS

➤ CULTURAL HERITAGE & COMMUNITY OUTREACH

➤ EXECUTIVE COMMITTEE

➤ RESEARCH



CON'T OF REGULAR BOARD MEETING OF APRIL 24, 2014
GVB MAIN CONFERENCE ROOM - 4:00PM
THURSDAY; April 29, 2014

BOARD of DIRECTORS PRESENT: ²

Chairman Baldyga	Vice Chairman Kloppenburg
Oscar Miyashita	Milton Morinaga
Theresa Arriola	Norio Nakajima
Bartley Jackson	Annmarie Muna
Nathan Taimanglo	

BOARD of DIRECTORS TELEPHONICALLY:

BOARD of DIRECTORS ABSENT:

Eduardo "Champ" Calvo	Robert Hofmann
Jennifer Camacho	Judith Guthertz

GVB MANAGEMENT & STAFF PRESENT:

Nathan Denight	Karl Pangelinan
Colleen Cabedo	Nadine Leon Guerrero
Joshua Tyquiangco	Felix Reyes

GUESTS:

❖ PROCEEDINGS:

Meeting was called to order by Chairman Baldyga at 4:14pm.

Chairman Baldyga expired the recess and opened the meeting by stating that a quantitative survey had been distributed out to its membership regarding how the Bill 316 would affect their business/businesses. The membership survey that was conducted over the past few days was analyzed and presented to the board.

Chairman Baldyga summed the survey results by stating that:

- There were 95 respondents out of 320-some members;
- 95 of those that responded represented 11,043 employees;
- 80% of respondents indicated that they were opposed to the Bill 316;
- 68% of respondents will decrease hours;
- About 60% will reduce the number of employees;
- 77% will eliminate/freeze wages;
- 78% will raise their prices;
- 65% will decrease benefits;
- About 20% will consider to do business elsewhere;

² GVB Bylaws and the Open Government Law do not state that a board meeting must reconvene with the same directors.

- o In total 674 will be let go out of 11, 043 employees;
- o 76% felt that it was likely/very likely that it would affect service levels;
- o 92% reported that their customers were price sensitive; to report that 76% were very price sensitive;
- o 3,909 earn less than 10.10/hr (of the 11,043 employees).

Chairman Baldyga reported that last time the board agreed to oppose Bill 316 and voted unanimously to oppose the GRT bill if it were linked to the raise in the minimum wage. Based on the survey results, it looks as though the board took the right direction on behalf of its membership.

The Chairman opened the floor for questions and comments.

Chairman Baldyga reported that General Manager, Karl Pangelinan was currently being interviewed by PNC regarding on the board's stance on the Bill. Chairman Baldyga went on to notify the board that they will be putting out a press release later in the evening to be sent to the media. Asked management to send a memo and attach the simplified results of the survey to membership and to welcome them to testify at the next day's hearing.

Chairman Baldyga reported that there would be two public hearings on May 1 at 2:00pm and at 5:30pm, in the Legislative Hall. Announced that General Manager, Karl Pangelinan and himself will testify side by side. General Manager to represent the Bureau and its membership and the Chairman, himself, to represent the tourism industry, GVB, and his businesses.

Announced that Director Jackson had testified the past week on behalf of GHRA.

The Board was in support of Chairman Baldyga and General Manager to testify on behalf of the Bureau.

Chairman Baldyga went over the structure of his testimony. Reported that General Manager will emphasize the survey results from membership and the Tourism 2020 plan.

Director Arriola reported that it's good they are testifying on behalf of the GVB membership, although personally for the Bill 316.

Director Jackson and Director Taimanglo discussed that legislation may not see how damaging the impact may be for larger companies. They seem to emphasize more on personal accounts of minimum-waged-individuals. Director Jackson mentioned that he's managed thousands and promoted thousands of people, and it's up to the employer to avail their employees. Director Taimanglo talked about his personal experience during college making a little over minimum wage. Although a little over the minimum wage, there was still a degree of separation, which he feels will always be there no matter what the minimum wage becomes.

The Board discussed that people need to start somewhere and it's up to that person if they want to excel for a better paying job. The amount of money a person makes versus cost of living is very subjective and it's up to that person to live how they want to live.

Chairman Baldyga discussed with Director Arriola that cultural practitioners might have a harder time paying their i.e. dancers and finding jobs if the Bill were to be implemented. With operational costs going up, businesses may try to eliminate miscellaneous activities,

which may include cultural affairs/dancers. Director Arriola argued by saying that cultural activities should be apart of business and shouldn't be an option.

The board agreed that there should be an economic impact assessment of the Bill 316. Director Nakajima reported that JGTA and Micronesia Hospitality Inc. are opposed to the Bill 316. Also mentioned that their customers are very price sensitive. Other JGTA members may find it easier to pull out their business on Guam, as for his business they have invested in Guam and can't. JGTA supports GVB's decision to testify against the Bill.

Director Morinaga reported that on behalf of Ken Corporation, they are opposed to the Bill and that the impact would be tremendous to the hotel industry on Guam.

The board decided to go over the press release together.

After making some edits to the press release, Chairman Baldyga ended the meeting.

❖ ADJOURNMENT

Chairman Baldyga made a motion, seconded by Director Miyashita, to adjourn the meeting. Meeting adjourned at 4:48pm.

Motion approved.

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

Board Minutes respectively submitted by Colleen Cabedo, Executive Secretary