



# GUAM VISITORS BUREAU

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

REGULAR BOARD MEETING  
GVB MAIN CONFERENCE ROOM - 4:00PM  
THURSDAY; October 10, 2013

## BOARD of DIRECTORS PRESENT:

Vice Chairman Bruce Kloppenburg	Therese Arriola
Judith Guthertz	Bartley Jackson
N. Oscar Miyashita	Milton Morinaga
Norio Nakajima	Nathan Taimanglo

## BOARD of DIRECTORS TELEPHONICALLY:

## BOARD of DIRECTORS ABSENT:

Chairman Mark Baldyga	Eduardo "Champ" Calvo
Jennifer Camacho	Robert Hofmann
Annmarie Muna	

## GVB MANAGEMENT & STAFF PRESENT:

Karl Pangelinan	Brian Borja	Kraig Camacho
Ana Cid	Dee Hernandez	Pilar Laguana
Nadine Leon Guerrero	Antonio Muna	Regina Nedlic
Nakisha Onedera	Elaine Pangelinan	Meriza Peredo
Felix Reyes	June Sugawara	

## GUESTS:

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### ❖ Proceedings:

Meeting called to order at 4:31 p.m. by Vice Chairman Bruce Kloppenburg.

Review of the previous Regular Board minutes dated September 26, 2013.

Exhibit A

Motion made by Director Guthertz, seconded by Director Jackson, to approve the minutes of September 26, 2013.

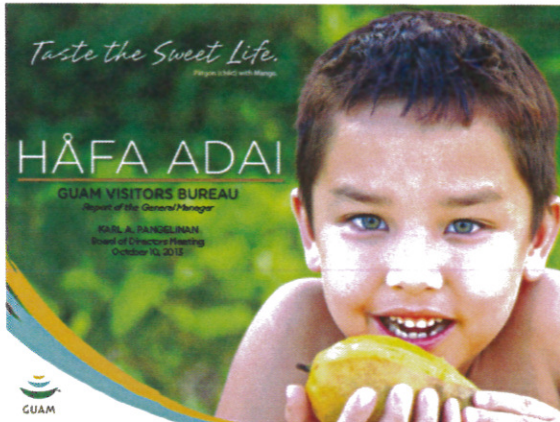
Motion approved (subject to correction).

\* Vice Chairman is the 8<sup>th</sup> vote.

❖ Vice Chairman's Report:

❖ General Manager's Report

Exhibit B  
Exhibit C



**PRELIMINARY Visitor Arrivals**  
September 2013  
Total: 108,635 (-3.3%)

% Market Mix	Origin	Pax	% to LY
67.7%	Japan	73,493	-8.0%
18.1%	Korea	19,686	53.1%
4.6%	US/Hawaii	4,996	-25.4%
4.6%	Taiwan	4,949	35.7%
0.8%	China	873	33.3%
0.2%	Russia	238	-22.7%

**FY2014 GVB BUDGET**

	FY 2013 Budget	FY 2014 Budget
<b>Administration</b>	\$540,113	\$541,130
<b>Marketing</b>		
Japan	5,600,000	5,700,000
Korea	1,000,000	1,400,000
Taiwan	500,000	570,000
Philippines	75,000	90,000
US/North America	10,000	10,000
China/Hong Kong	10,000	10,000
China/Russia	10,000	10,000
Russia	10,000	10,000
Hong Kong	10,000	10,000
Philippines	10,000	10,000
Marketing	200,000	400,000
Tourist Media Support	200,000	200,000
Global Website	100,000	100,000
<b>TOTAL MARKETING</b>	<b>8,230,000</b>	<b>10,110,000</b>
<b>Printing/Promotions</b>	<b>200,000</b>	<b>200,000</b>
<b>Research</b>	<b>400,000</b>	<b>400,000</b>
<b>Destination Development and Maintenance</b>		
Special Events	100,000	100,000
Cultural Heritage and Community Outreach	100,000	100,000
Visitor Safety and Satisfaction	100,000	100,000
Destination Management and Maintenance *	100,000	100,000
<b>TOTAL DESTINATION</b>	<b>5,300,000</b>	<b>5,300,000</b>
<b>TOTAL OPERATIONS BUDGET</b>	<b>16,070,113</b>	<b>16,451,130</b>
<b>Tour Special Projects - Destination Maintenance</b>	<b>5,310,000</b>	<b>5,310,000</b>
<b>Total GVB Budget</b>	<b>21,380,113</b>	<b>21,761,130</b>

**PRELIMINARY FY2013 Visitor Arrivals**  
October 2012 - September 2013  
Total: 1,337,665 (5.3%)

% Market Mix	Origin	Pax	% to LY
68.2%	Japan	912,093	0.5%
17.3%	Korea	232,847	41.0%
4.4%	US/Hawaii	58,546	-9.6%
3.6%	Taiwan	47,904	-3.9%
0.8%	China	10,384	14.9%
0.5%	Russia	6,134	109.3%

**15 Top Banner Fiscal Years**

**15 Top Banner Fiscal Year Arrivals**  
as of October 10, 2013

Rank	Fiscal Year	Guam Arrivals
1	FY1997	1,411,447
2	FY1996	1,369,877
3	FY2013	1,337,665
4	FY1995	1,295,559
5	FY2001	1,291,667
6	FY2012	1,270,361
7	FY2000	1,269,172
8	FY2007	1,233,290
9	FY2006	1,217,111
10	FY2005	1,210,147
11	FY1998	1,204,268
12	FY2008	1,179,246
13	FY2010	1,170,857
14	FY2004	1,156,199
15	FY2011	1,147,134

**PRELIMINARY CYTD Visitor Arrivals**  
January 2013 - September 2013  
Total: 1,006,474 (3.0%)

% Market Mix	Origin	Pax	% to LY
67.9%	Japan	683,092	-2.4%
17.6%	Korea	177,565	39.2%
4.4%	US/Hawaii	44,768	-8.3%
3.7%	Taiwan	37,729	-3.2%
0.8%	China	8,422	20.7%
0.5%	Russia	4,781	77.9%





- GM Pangelinan discussed the approved FY2014 budget. **An appreciation letter will be written to the Legislature thanking them for their support.** Director Jackson also suggested that this is great for investors to see the cuts that had been made from previous years'. This reflects how well we've diversified the client base. Vice Chairman Kloppenburg stated that since the budget has been reviewed by all committee levels prior to going the Legislature, and everyone has gone through the budget individually, and unless someone opposes, supports approving the budget by the Board with only 8 members present.

Director Guthertz made a motion, seconded by Director Arriola, to approve the FY2014 that had been reviewed by all the essential GVB Management and Board committees.

**Motion approved.**

**\* Vice Chairman is the 8<sup>th</sup> vote.**

- Discussion ensued regarding the MS Amsterdam cruise ship that arrived today. It was stated that the arrival planning logistics was very poorly executed. **MO2 Felix Reyes will give an after action report that will be sent to the Port Authority and Ambyth.**

#### ❖ Report of the Treasurer:

Exhibit D

##### Cash Position Report:

Cash report as of October 07, 2013.

Total cash in banks report (as of 10/07/13) \$16,018,239.00

Total allotment received to date: \$16,189,973.59

- Director Miyashita reported a healthy cash position.
- Discussion ensued on the cosmetic changes to the report, 2/12 Memorial Fund, FestPac and Asatsu invoicing. A penalty clause has been included in the current contract.

#### ❖ Report of the Board Committees:

##### A. EXECUTIVE COMMITTEE

Director Miyashita made a motion, seconded by Director Arriola, to ratify Executive Committee's approval to authorize the General Manager to proceed with contract negotiations phase with the highest-ranking qualified Offeror in response to GVB RFP 2013-007, Social Media Monitoring Technology.

**Motion approved.**

**\* Vice Chairman is the 8<sup>th</sup> vote.**

##### Background:

The current contract is expiring on September 30, 2013. Therefore, GVB is seeking to award a multi-year single contract for a established firm, to develop and combine technology, process and trained professionals to deliver accurate and relevant data mining and analysis to aid in listening to digital conversations across countries in multiple languages for FY14, FY15, and FY16.



A new RFP was issued on August 12, 2013. Deadline to receive proposals in response to this RFP was 5:00 p.m., August 29, 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.

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**B. JAPAN MARKET:**

**C. CULTURAL HERITAGE & COMMUNITY OUTREACH (CHaCO)**

- Director Arriola reported that it is open season for grant submissions and the deadline is October 31. The call out ad will be going out tomorrow (10/11).

**D. GREATER CHINA:**

- Vice Chairman Kloppenburg reported that the Greater China committee meeting is scheduled for tomorrow. Dialogue will begin at this meeting on ideas and plans to market China more aggressively without a visa waiver.

**E. KOREA MARKET:**

Exhibit E

- Director Miyashita reported that Korean officially announced additional (2) more flights (4 times / wk) from Busan starting in April 2014. They will have (7) flights / week during the peak season.
- Director Miyashita reported that KTAG met but Chairman seat is still pending.
- Discussion ensued about the Korea market growth. Concerns were raised regarding:
  - KMC members becoming more involved with setting policies
  - Engaging with Korea market at the same level as Japan
  - Korea agents ability to demonstrate and manage their market in a proper manner (charging unreasonable rates to consumer)

**F. MEMBERSHIP DEVELOPMENT**

**G. NORTH AMERICA & PACIFIC (NAP)**

**H. RESEARCH:**

- Director Taimanglo reported the Research committee meeting is scheduled for October 15 at 3pm.

**I. DESTINATION MANAGEMENT:**

## J. RUSSIA & NEW MARKETS DEVELOPMENT

Exhibit F

- Director Jackson reported that the dramatic decrease in arrivals compared to last year is because of the APEC convention that was held in Vladivostok in 2012. This convention had Russia's school year start later than usual, which extended the summer vacation. This year presents a more traditional number number.
- Director Jackson reported that Russia charters will begin flying November 7&8 which will add an additional 312 seats per week. He stated that it looks like we'll be seeing about 9000 visitors this calendar year, trailing behind Saipan's 12,000 in their fiscal year.
- Director Jackson reported that Russia has a new representative.
- Discussion ensued regarding inviting of Russia mayors or President Putin to Guam. Marketing Manager Pilar Laguana stated that now may be a good time to revisit and start the dialogue of engaging a sisterhood agreement. **She will follow up with the US consulate advice.**

## K. SPORTS & EVENTS

Exhibit G

- Director Taimanglo reported that it is open season for grant applications submission.
- Discussion ensued about the sponsorship of MMA contender Jon Tuck. Concerns were discussed about the branding image that will be used and whether we will really want to associate GVB with this now and potentially. GM Pangelinan stated that it's about volume of the exposure and as a globally popular sport there is a large participation among all the source markets. Director Taimanglo stated that sponsorship price negotiations are still ongoing. Vice Chairman asked Director Taimanglo to report back on this.

## L. ADMINISTRATION / GOVERNMENT RELATIONS:

### ❖ OLD BUSINESS

- Director Nakajima asked about the \$5 airport fee. He shared that some companies are not paying. He asked to find out about GIAA's standard operating procedures to assess this fee and how is it being spent. Discussion ensued regarding the hotel pick up fee and why taxis are not being charged.

### ❖ NEW BUSINESS

- Director Nakajima reported that due to the Federal government shutdown, tour agents are unable to visit the park museums. A call will be made to the park rangers to address this issue of closure.
- Director Miyashita asked if there is anything being done about the recent crime sprees against tourists and stressed the need to take measures. GM Pangelinan reported that

the hiring of more officers is still within the process at DOA and he had suggested twice to bring in officers who have already gone through the training cycle. He added that GVB has facilitated the renovation of the Red Bravo koban at Matapang beach. PMT is donating the funds to renovate and have set conditions that the koban needs to be fully staffed. GPD is committed to this. Renovations will begin next week and should be completed in 3 weeks. This will add more police presence within Tumon. Director Guthertz suggested putting out a public service announcement to educate the community on how crime against tourists affects our island. Director Morinaga added that Ken Corp is donating a motorcycle to GPD next month. Director Guthertz added that a letter should also be sent to the US attorney and Chief judge regarding the deportation of repeated offenders.

❖ EXECUTIVE SESSION

➤ None

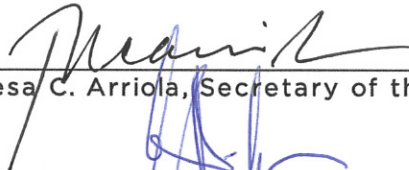
❖ ANNOUNCEMENTS

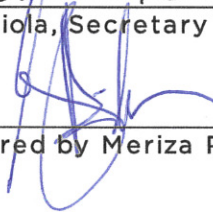
- Okayama City Recycle Bin Donation
  - Saturday - October 19, 2013
  - 9:30am : Courtesy visit / ceremony (UOG Lecture Hall)
  - 7:00pm: Appreciation Dinner (Guam Reef- Bay View Beach Tower)

❖ ADJOURNMENT:

Motion made by Director Arriola, seconded by Director Miyashita to adjourn the meeting. Meeting adjourned at 5:09.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



❖ Action Items 10/10/13 :

1. Mid year Committee review

- MEMBERSHIP:
- ACCOUNTING:
- JAPAN:
- DM:
  - Update of culvert cleaning with DPW/contractor (8/08)
- KMC
  - Director Jackson, GM Pangelinan and DGM Denight will work together and bring their suggestions before the Board on how to manage the tour inspectors (7/25)
  - Vice Chairman Kloppenburg asked to find out what percentage comes out of the Korea market vs Japan market in regards to the \$5 facility fee paid to GIAA. (10/10)
- GREATER CHINA
  - Vice Chairman Kloppenburg will share a copy Taiwan Mid year review on market share to Chairman (7/11)
  - Chairman Baldyga requested for a Taiwan arrivals comparison to our core competitive markets (9/26)
- RUSSIA AND NEW MARKETS
  - Set up Medical Tourism task force
    - Chairman Baldyga and Director Jackson will meet this week about the Medical Task Force. (7/11)
  - Followup with US consulate regarding sisterhood agreement. (10/10)
- NAP:
  - Research and find out information on the following: (7/11)
    - The airline contract with the airport (airline fees)



- Fuel costs
- MO2 Felix Reyes will give an after action report that will be sent to the Port Authority and Ambyth regarding the arrival of the US Amsterdam. (10/10)
- ADMINISTRATION / GOVERNMENT RELATIONS:
  - An appreciation letter will be written to the Legislature thanking them for their support regarding GVB budget. (10/10)
- SPORTS & EVENTS:
- EXECUTIVE COMMITTEE:
- RESEARCH