



## BOARD OF DIRECTORS REGULAR MEETING

Thursday, March 12, 2015 - 4:00 p.m.

Guam Visitors Bureau- Main Conference Room

### BOARD of DIRECTORS PRESENT:

Chairman Mark Baldyga	Director Bruce Kloppenburg
Director Katarina Sgro	Director Theresa Arriola
Director Milton Morinaga	Director Norio Nakajima
Director Clifford Guzman	Director Sam Shinohara
Director Hong Soon Im	Director Bartley Jackson

### BOARD of DIRECTORS ABSENT:

Director Eduardo "Champ" Calvo - Off-island  
 Director Robert Hoffman - Off-island

### GVB MANAGEMENT & STAFF PRESENT:

Nathan Denight	Colleen Cabedo	Dara Roberto
Regina Nedlic	Nic Yasuhiro	Telo Taitague
Dee Hernandez	June Sugawara	Haven Torres
Brian Borja	Nakisha Onedera	Kraig Camacho
Mark Manglona	Ana Cid	Rose Cunliffe
Meriza Peredo	Josh Tyquiengco	Felix Reyes
Pilar Laguana	Lisa Linek	
Gina Kono	Nadine Leon Guerrero	

### GUESTS:

## I. CALL TO ORDER

Chairman Baldyga called the meeting of the board to order at 4:07 p.m.

## IV. MINUTES OF THE PREVIOUS MEETING

Exhibit A

## V. CHAIRMAN'S REPORT

Chairman Baldyga reported that he, Nathan Denight, Director Morinaga, and Director Jackson had a nice walk through of the airport. The purpose was to walk with an eye from a hospitality and guest perspective. He noted that it's not an extensive undertaking to make fundamental basic improvements such as some limited interior landscaping and lighting, eliminate cheap handmade signage, etc. Milton suggested coming up with a theme or brand standards for graphics. Notes and photos will be shared at the next board meeting. He noted that GIA was very cooperative and he appreciated their "can-do" approach.

Chairman Baldyga announced that the rotunda opening- Archbishop Flores loop, with GVB and the Lieutenant Governor's Office beautification project went well and that It had been turned over to GVB for maintenance.

## VI. GENERAL MANAGER'S REPORT



### PRELIMINARY Visitor Arrivals FEBRUARY 2015 Total: 126,080 (7.7%)

% Market Mix	Origin	Pax	% to LY
58.8%	Japan	74,153	-1.5%
25.1%	Korea	31,677	35.9%
4.5%	US/Hawaii	5,648	6.7%
3.8%	Taiwan	4,776	23.4%
4.2%	China	5,259	159.4%
0.1%	Russia	142	-89.6%

### PRELIMINARY Visitor Arrivals CYTD 2015 (January 2015 – February 2015) Total: 244,581 (4.5%)

% Market Mix	Origin	Pax	% to LY
56.9%	Japan	139,164	-3.6%
28.8%	Korea	70,522	35.9%
4.7%	US/Hawaii	11,516	9.6%
3.0%	Taiwan	7,378	-16.0%
2.6%	China	6,255	51.1%
0.3%	Russia	840	-76.8%

### PRELIMINARY Visitor Arrivals FYTD 2015 (October 2014 – February 2015) Total: 574,525 (2.2%)

% Market Mix	Origin	Pax	% to LY
58.2%	Japan	334,216	-5.7%
26.7%	Korea	153,209	27.7%
4.9%	US/Hawaii	27,942	14.9%
2.9%	Taiwan	16,514	-16.2%
1.9%	China	10,791	55.4%
0.4%	Russia	2,145	-69.0%

### PRELIMINARY MTD Visitor Arrivals March 1 - 10, 2015 Total: 43,489 (6.4%)

% Market Mix	Origin	Pax	% to LY
69.4%	Japan	30,175	6.5%
19.0%	Korea	8,268	13.1%
4.1%	US/Hawaii	1,772	13.7%
2.1%	Taiwan	912	-19.4%
1.5%	China	650	361.0%
0.2%	Russia	85	-82.7%

### Japan Marketing News

#### Student Travel

- Nara Ikuei High School (9th trip, 350 students - anticipate 400 students next year)
- Yamaguchi University (4 pax, lecture about GVB)
- 150 high schools visited Guam for April 2014 – March 2015 School Year (155 planned for next school year)
- Sports training camp total participants: 1,670 players as of February 2015 (Pro & National members) - Baseball, soccer, swimming, tennis, running, body building and triathlons.





## Japan Marketing News

### Incentive Groups

#### April

- Yuki Kenko (April 1-4) - 21 pax
- Shirakawa (April 1-4) - 15 pax
- TI Group (April 5-10) - 147 pax [3 groups]
- Eco Style (April 9-12) - 162 pax
- Sakaguchi (April 9-12) - 32 pax
- Gibraltar Fife (April 9-12) - 120 pax
- Sugiura Chemical (April 11-14) - 244 pax
- Osaka Toyota Shoji (April 12-15) - 12 pax
- Samuson (April 13-16) - 35 pax
- Idasetsubi (April 25-28) - 12 pax

#### May

- Suzuki (May 17-20, 18-21, 19-22, 20-23, 21-24, 22-25) - 3,000 pax

## Japan Marketing News

### Under negotiation now for MICE/Group

- AUG: 2 groups and the total is about 700 pax
- OCT & NOV: 5-8 Groups and the total is from 3,000 - 3,700 pax
- DEC: Soft Baseball Training camp and tournament in Guam 100 pax

### JGTC Meeting: The First Meeting of 2015

- 3/25 JGTC Kansai Meeting
- 4/02 JGTC Chubu Meeting
- 4/07 JGTC Kanto Meeting

The 10<sup>th</sup> Ko'ko' Half Marathon & Ekiden Relay Presentation in Tokyo, Nagoya, Osaka, Fukuoka, Sapporo, Sendai and the second City by end of March

## Japan Marketing News

### Sales Activity plan for March, April and May

- 3/11 Tokyo MICE Seminar & Tokyo Guam Sales Seminar
- 3/12 Shizuoka MICE Seminar & Hamamatsu MICE Seminar
- 3/13 Nagoya MICE Seminar & Nagoya Guam Sales Seminar
- 3/14-15 Nagoya Travel Fair (290,000 pax)
- 3/18 Fukui MICE Seminar
- 3/19 Kanazawa MICE Seminar
- 3/20 Toyama MICE Seminar
- 4/03-05 Marine Diving Fair at Ikebukuro Sunshine (70,000 pax)
- 4/10-12 GCDA in Osaka
- 4/10-12 Osaka GLP
- 4/17-19 Fukuoka GLP Light
- 4/21-24 Kochi, Tokushima, Matsue, Takamatsu MICE Seminar
- 4/23 Tokyo: U.S. Educational Seminar with American Embassy - Tokyo
- 4/25-26 Sister Marathon - Sado Marathon with UA Niigata (4,000 runners)
- 5/04-05 Sister Marathon - Nikkan Sports Toyohiragawa Marathon with UA Hokkaido (8,000 runners)
- 5/21 Nagoya-Brand U.S.A. Seminar, 5/22 Osaka - Brand U.S.A. Seminar
- 5/23-24 Osaka - Kansai Airport Travel Fair (150,000 pax)

## Pacific Marketing News

### Guam Product Update Seminar March 5-9, 2015 | Cairns, Australia

- 21 travel agents from Australia attended seminar
- United partnered with GVB for this trip
- Media interview with Cairns Post/Channel 7 News
- Travel agents were very appreciative of Guam product update
- Inquiries already from groups for FESTPAC 2016



## North America News

### LA Travel & Adventure Show February 21-22, 2015 | Long Beach, California

- Around 26,000 attendees at the event.
- GVB engaged with United and Mystical Tours & Adventures to offer Special airfare and promo package for this event.
- Mystical Tours & Adventures reported that some bookings have already been made.



## North America News

### LA Travel & Adventure Show February 21-22, 2015 | Long Beach, California

- Destination Theater
  - Guam Product Presentation
  - Promotion of FestPac 2016
  - United Special Airfare Package
- Media interviews
  - Los Angeles Channel 1 News,
  - LA based Chamorro blogger of *The World is a Book*
  - Palm Spring local radio station
  - Los Angeles Channel 5 News.



## Treasurer's Report

Budget Analysis  
FY 2015

	Budget	Chg. Expense	Actual Less Chg. Expense	Remaining to Date	Balance
Operating	1,000,000.00	1,000,000.00	0.00	0.00	0.00
Investment/Development	1,000,000.00	1,000,000.00	0.00	0.00	0.00
GR	1,000,000.00	1,000,000.00	0.00	0.00	0.00
Net Profit	1,000,000.00	1,000,000.00	0.00	0.00	0.00
Net Profit	1,000,000.00	1,000,000.00	0.00	0.00	0.00
Net Profit	1,000,000.00	1,000,000.00	0.00	0.00	0.00

UNCLASSIFIED - BUREAU OF GOVERNMENT  
UNCLASSIFIED - BUREAU OF GOVERNMENT  
UNCLASSIFIED - BUREAU OF GOVERNMENT  
UNCLASSIFIED - BUREAU OF GOVERNMENT



## Bus Shelter Comparison

	OPTION 1A Modular Bus Shelter (per unit)	OPTION 2 Modular Bus Shelter (per unit)	OPTION 3 Modular Bus Shelter (per unit)
Overview	On-site design, build and maintenance. Requires quality inputs to accept. On-site design and construction.	Some as Option 1 plus the 20% for off-site design and construction. On-site design and construction.	On-site design, build and maintenance. Requires quality inputs to accept. On-site design and construction.
Term or Bid Term	NA	10-year term	10-year term
Design and Operational Control	GVB	GVB	To be negotiated
Control of Ads to be accepted	GVB	GVB	To be negotiated
Number of Ads	None except GVB	Unlimited or 2 panels	2 to 3 panels of ads
Cost to GVB	\$400,000 per unit	\$0	\$0
Funding	Pass by GVB	Advised by GVB, but required to be paid by GVB	Pass by third party
Logistics (ship, parts, etc)	Handled by GVB (on/off contract)	Handled by third party	Handled by third party
Status	Need approved design. Need procurement.	Need approved design. Need procurement.	Need approved design. Need procurement.
Who Keep/Use/Power and Assets	NA	GVB	Third party
Other Considerations	GVB bears most of the cost and liability.	GVB bears most of the cost and liability. Liability of GVB is required to be paid by GVB.	Contractors to be paid and liability of GVB is required to be paid by GVB.

GM Denight reported meeting with Jay Rojas and airport management for a walk through of immigration area. He noted that USCBP will be coming to Guam March 23<sup>rd</sup> to talk about the preclearance CBP is offering from certain airports. They are looking at expanding to Japan and Korea. Passengers from those airports would get precleared which would save time and free up immigration/arrival lounge. He also noted the challenge is that the airport only has 2 gates able to feed into customs/baggage area and that they would need to adjust airport master plan.

## PATA


- GM Denight said they sent out a packet to the board about hosting the PATA annual summit, which includes all executive and committee meeting with over 400 delegates expected to attend- all high level people in the travel industry. He noted that it's a great opportunity to bring in potential investors and travel partners to showcase what Guam has to offer.
- Chairman Baldyga asked about the timeline for the event. GM Denight said the packet is due March 31<sup>st</sup> so an RFP is needed. PATA is soliciting for 2016 thru 2018 and all the destinations will be submitting bids. Chairman noted there will be one more board meeting before then so GM Denight would need to start working on presentation if he's looking for indication of board support. GM Denight said they have already met with selected partners such as The Dusit and will also be available to all membership for participation. Chairman Baldyga noted that without airline and hotel partners it could be over \$100,000 commitment for GVB - he also explained that he was on the PATA board for ten years, it's a very high level group of CEOs, airline/hotel presidents and it would be a great thing for Guam to be able to host.



- Director Shinohara asked if they had a sense of what the winning packages looked like in terms of proposals. Pilar said they are looking for an official carrier, an official hotel, and certain requirements that they need from those official hosts. The destination's tourism and bureau along with the government are typically the hosts and that the ROI is a full year of international marketing exposure not just for the destination but also all of the official sponsors. Pilar said PATA has a global reach and it's a unique opportunity to deliver their message and vision for Tourism 2020 to all the key movers and shakers that sell travel and tourism to, within, and from the region of Asia Pacific. They will also bring with them international media like BBC, CNN, etc.
- Chairman Baldyga suggested that presumably they could add to budget as a line item for next year to present to the legislature.

## VII. TREASURER'S REPORT

Exhibit B

 **GUAM VISITORS BUREAU**

Comparative Balance Sheet  
February 28, 2015 & 2014

OPERATIONS		SPECIAL PROJECTS	
	February 28, 2015	February 28, 2014	February 28, 2014
<b>Assets</b>			
Current Assets			
Cash & Cash Equivalents	11,320,638.59	12,888,481.80	1,970,984.00
Accounts Receivable - Appropriations	15,317,925.00	11,186,394.00	900,092.00
Accounts Receivable - Other	152,570.53	127,395.90	0.00
<b>Total Current Assets</b>	<b>26,791,134.12</b>	<b>24,192,271.70</b>	<b>2,871,076.00</b>
Long-term Assets			
Property & Equipment	6,909,965.93	6,960,471.24	745,992.36
<b>Total Long-term Assets</b>	<b>6,909,965.93</b>	<b>6,960,471.24</b>	<b>1,995,992.36</b>
<b>Total Assets</b>	<b>33,601,000.05</b>	<b>30,992,742.94</b>	<b>4,867,068.36</b>
<b>Liabilities</b>			
Current Liabilities			
Accounts Payable	1,175,696.35	60,517.27	0.00
Accounts Payable - Pass-thru entities	161,906.50	380,342.27	8,438.23
Deferred Revenue	15,368,425.00	11,186,394.00	900,092.00
Deferred Revenue - Membership	0.00	0.00	0.00
<b>Total Current Liabilities</b>	<b>16,726,027.85</b>	<b>11,537,253.54</b>	<b>908,530.23</b>
Long-Term Liabilities			
Unfunded Pension Cost	0.00	0.00	0.00
Accrued Annual Leave	149,026.82	148,448.06	0.00
Accrued Annual Leave	141,989.39	123,946.07	0.00
<b>Total Long-Term Liabilities</b>	<b>291,016.21</b>	<b>272,394.13</b>	<b>0.00</b>
<b>Total Liabilities</b>	<b>17,017,044.06</b>	<b>11,809,647.67</b>	<b>908,530.23</b>
<b>Net Assets</b>			
Beginning Net Assets	17,564,478.21	17,564,478.21	342,836.99
Change in Net Assets	(999,404.22)	1,618,911.06	1,618,911.06
<b>Total Net Assets</b>	<b>16,565,073.99</b>	<b>19,183,395.27</b>	<b>1,960,748.05</b>
<b>Total Liabilities and Net Assets</b>	<b>33,601,000.05</b>	<b>30,992,742.94</b>	<b>4,867,068.36</b>

Comparative Statements of Revenues & Expenses  
February 2015, February 2014, & YTD

OPERATIONS				SPECIAL PROJECTS			
	February 2015 Actual	February 2014 Actual	YTD as of February 2015	February 2015 Actual	February 2014 Actual	YTD as of February 2015	YTD as of February 2014
<b>Revenue</b>							
GovGuam Allotments	4,014,437.00	401,300.00	8,362,587.00	5,008,240.00	230,562.00	150,000.00	832,378.00
GovGuam Allotments - Pass-thru	222,797.39	1,500.00	1,837,696.98	232,903.00	205.64	61.14	346.96
Membership	900.00	0.00	161,093.00	32,000.00	0.00	0.00	60,007.83
Interest Income	540.05	945.25	3,543.97	6,389.80	0.00	0.00	60,007.83
Foreign Exchange Gain/Loss	1,566.68	254.21	8,520.98	(24,280.09)	230,767.54	182,943.24	892,732.69
CD Morgan Stanley Gain/Loss	0.00	(3,045.48)	394.82	(2,714.43)	0.00	0.00	0.00
Miscellaneous	65.00	607.10	62,917.02	0.00	0.00	0.00	0.00
Consumption Tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00
In-kind Contributions	964.00	0.00	13,860.27	10,587.80	0.00	0.00	0.00
<b>Total Revenue</b>	<b>4,240,407.12</b>	<b>403,024.18</b>	<b>10,356,332.15</b>	<b>5,335,755.55</b>	<b>230,767.54</b>	<b>150,000.00</b>	<b>832,378.00</b>
<b>Operational Expenses</b>							
Personnel	200,154.27	177,696.42	987,290.56	914,939.91	6,892.55	4,437.63	25,854.01
Travel	61,021.06	59,593.28	239,966.08	147,464.70	11,816.00	12,500.00	86,834.00
Utilities	3,251.44	11,386.01	39,725.42	46,368.12	233,688.50	37,287.90	766,327.66
Professional Services - Note 1	2,436,371.59	180,863.17	3,832,297.54	1,760,389.73	1.05	5.85	4.40
Materials & Supplies	10,559.19	2,642.14	34,008.73	48,148.96	0.00	0.00	0.00
Equipment	177.61	9,476.01	27,848.42	29,088.24	0.00	0.00	0.00
Contractual Services	800.00	0.00	48,660.60	25,288.19	0.00	0.00	0.00
Rent/Lease	15,130.83	23,468.48	95,892.51	100,778.94	0.00	0.00	0.00
Repairs & Maintenance	7,076.17	2,385.86	11,453.58	5,719.12	0.00	0.00	0.00
Advertising & Printing	14,861.78	3,714.79	48,461.35	42,445.96	0.00	0.00	0.00
Grants & Sponsorships	24,000.00	49,729.26	308,175.00	271,774.26	0.00	0.00	0.00
Miscellaneous - Note 2	122,983.17	17,558.36	315,364.90	123,437.23	0.00	0.00	0.00
<b>Total Operational Expenses</b>	<b>2,895,646.04</b>	<b>532,253.78</b>	<b>6,047,552.67</b>	<b>3,515,835.39</b>	<b>251,698.10</b>	<b>54,231.38</b>	<b>870,353.07</b>
<b>Non-Operational Expenses</b>							
Community Programs	0.00	0.00	0.00	1,888.00	0.00	0.00	0.00
In-kind Contributions	0.00	964.00	13,950.27	10,587.80	0.00	0.00	0.00
Consumption Tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pass-Thru Appropriations	15,725.00	1,500.00	524,250.00	51,250.00	0.00	0.00	0.00
Depreciation	0.00	6,944.44	14,588.56	34,722.20	0.00	0.00	0.00
<b>Total Non-Operational Expenses</b>	<b>15,725.00</b>	<b>16,008.44</b>	<b>562,832.12</b>	<b>200,956.10</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Change in Net Assets</b>	<b>1,229,535.08</b>	<b>(129,229.60)</b>	<b>3,747,183.13</b>	<b>1,618,911.06</b>	<b>(201,930.45)</b>	<b>105,837.60</b>	<b>403,557.37</b>

Note 1: Increase in Professional Services due to greater advertising and public relation expenses in Korea and Japan.  
Note 2: Increase due to miscellaneous expenses in China, Hong Kong, and Taiwan.  
Note 3: Increase due to Tumon Bay Lighting Improvement Project.

**CASH, RECEIVABLES, & PAYABLES POSITION  
 FY 2014 & FY 2015 COMPARATIVE REPORT**

FY 2014 (02/24/2014)			FY 2015 (02/24/2015)		
	Balance			Balance	
BANK OF GUAM	\$1,046,127.77		BANK OF GUAM	\$3,009,075.14	
FIRST HAWAIIAN BANK - Membership	\$57,700.60		FIRST HAWAIIAN BANK - Membership	\$83,620.49	
RESONA BANK	\$381,388.76		RESONA BANK	\$433,276.30	
BOG - TAF ACCOUNT	\$735,329.24		BOG - TAF ACCOUNT	\$2,525,967.42	
BOG - RAINY DAY FUND	\$1,000,374.14		BOG - RAINY DAY FUND	\$2,506,866.38	
BOG - FESTPAC Trust Account	\$1,190,664.20		BOG - FESTPAC Trust Account	\$2,652,499.73	
MORGAN STANLEY - CD **	\$2,509,277.56		MORGAN STANLEY - CD **	\$2,512,187.91	
BOG - 2732 Memorial Fund	\$49,722.11				
<b>TOTAL CASH IN BANKS AS OF 02/21/2014</b>	<b>\$13,872,334.93</b>		<b>TOTAL CASH IN BANKS AS OF 2/24/2015</b>	<b>\$19,225,478.10</b>	
**Morgan Stanley CD Market value as of 12/31/2013			**Morgan Stanley CD Market value as of 1/31/2015		
FY 2014 BUDGET P.L. 32-088	\$ 18,262,134.00		FY 2015 BUDGET P.L. 32-181	\$ 23,847,696.00	
OPERATIONS - \$15,487,134.00			Operations	\$ 20,115,000.00	
TAF Special Projects - \$2,000,000.00			Destination Development	\$ 1,085,000.00	
PASS THRU APPROPRIATIONS - \$1,935,000.00 (amended per PL 32-181)			Capital Improvement Projects	\$ 1,412,696.00	
			Pass-thru Appropriations	\$ 1,235,000.00	
<b>OPERATIONS</b>	<b>TAF Special Projects</b>	<b>Pass thru</b>	<b>Operations</b>	<b>Destination</b>	<b>CP</b>
11/14/13 \$1,161,335.00	\$ 150,000.00	\$ 58,125.00	05/16/2014 \$ -	\$ -	\$ -
11/15/13 \$1,161,335.00	\$ 150,000.00	\$ 58,125.00	11/5/2014 \$ 3,274,637.00	\$ 230,562.00	\$ 1,100,792.00
11/28/13 \$ -	\$ -	\$ 7,500.00	12/19/2014 \$ 1,300,000.00	\$ -	\$ 100,000.00
12/12/13 \$1,161,335.00	\$ 150,000.00	\$ 58,125.00	02/23/2014 \$ -	\$ -	\$ -
12/24/13 \$ -	\$ -	\$ 3,750.00	1/13/2015 \$ 73,713.00	\$ 58,000.00	\$ 116,250.00
01/16/14 \$1,161,335.00	\$ 150,000.00	\$ 58,125.00	2/26/2015 \$ 4,014,637.00	\$ 230,562.00	\$ -
01/21/14 \$ -	\$ -	\$ 7,500.00			
02/11/14 \$ 388,188.00	\$ 150,000.00	\$ 22,500.00			
	\$ 750,000.00	\$ 140,500.00			
<b>Total FY 2014 Allotment Received to Date:</b>	<b>\$1,895,740.00</b>		<b>Total FY 2015 Allotment Received to Date:</b>	<b>\$10,871,553.00</b>	
<b>Accounts Receivable FY 2014</b>	<b>\$12,166,594.93</b>		<b>Accounts Receivable FY 2015</b>	<b>\$12,916,147.07</b>	
<b>FY 2014 ACCOUNTS PAYABLE as of 02/10/2014</b>	<b>Amount</b>		<b>FY 2014/2015 ACCOUNTS PAYABLE as of 2/24/2015</b>	<b>Amount</b>	
Asatsu Invoices October & November 2013	\$102,505.52		Asatsu Invoices December 2014	\$1,766,791.25	
Japan Miscellaneous Invoices	\$74,155.62		Japan Miscellaneous Invoices	\$20,662.21	
Guam Miscellaneous Invoices	\$255,255.87		Guam Miscellaneous Invoices	\$693,806.78	
FY 2012/2013/2014 Pass-thru appropriations	\$370,342.27		FY 2014 Pass-thru appropriations received in FY 2015	\$58,900.00	
FY 2014 Pass-thru appropriations	\$7,500.00		Encumbered Contracts (not yet incurred)	\$6,650,406.16	
Encumbered Contracts (not yet incurred)	\$3,299,611.90		Encumbered Purchase Orders (not yet incurred)	\$142,084.13	
Encumbered Purchase Orders (not yet incurred)	\$105,700.81		FESTPAC Trust Account	\$2,652,499.73	
FESTPAC Trust Account	\$1,190,664.20		<b>Total Payables to Date</b>	<b>\$11,995,150.80</b>	
<b>Total Payables to Date</b>	<b>\$5,374,735.99</b>				

**Discussion/Comments:**

- Director Shinohara noted that the front office continues to hold back the 10% reserve money and given this year's initiatives and budget needs, there's an appetite and needs within the different markets to be able to use those funds appropriately and would like to reach out to front office to discuss. Chairman Baldyga said it was addressed but without a response.
- Director Kloppenburg asked about the 2.6 million accounts payable to Festpac. Chairman Baldyga asked to clarify, out of the 4 million returned from GPD, how much is the balance needed to top off the Festpac account, and whatever the excess is, he'd like to be on top with the legislature before it is spent. He noted that before the next board he'd like to work on a presentation of total needed to top off Festpac, total coming in from GPD, excess, and what they propose to use it for, and sketch draft legislation of the plan of approach. GM Denight noted that he and DGM Taitague met with the chief financial officer at governor's office and are in the works of getting a clearer financial picture.
- Director Shinohara asked if Festpac organization has money outside of budget. GM said they are currently working on raising money through sponsorships and in-kind donations. Director Kloppenburg noted they need to be aware that Festpac may be pulling excess funds from the budget.

**VIII. REPORT OF THE BOARD COMMITTEES**
**A. EXECUTIVE COMMITTEE**
**Bus Shelters:**

- Director Kloppenburg said that GVB started the bus shelter process a couple of years ago and was able to get the bus companies into buying into placing new routings and new stops along San Vitores- GVB was to build the bus shelters but the presentation that was made was contrary to what the board had originally asked for. It became an advertising venue which was not originally asked for. They wanted it to be self-sustaining, paid for, classy with coverage but not signage everywhere- they didn't want advertising on every square foot.
- Director Jackson said the old board wanted to see something culturally significant that fits in with branding, makes a statement and provides shelter for passengers. The option of ads/no



ads was an issue of maintenance. If they allowed some ad then it pays for maintenance and not a burden to GVB. If they decided on no ad, money would be needed to be allocated for maintenance on a regular basis, estimated at \$70,000.

- o Director Morinaga suggested that the companies servicing the bus stops should be responsible for paying fees used toward maintaining the shelters.
- o Director Jackson proposed they that they vote for GVB to take control of the process and the study done, be able to outline pro's/con's, specific costs involved, cost of maintenance, and analysis of what is trying to be done to make a final determination.

Director Jackson made a motion, seconded by Director Guzman to choose between Option A or B (as presented to the board), as opposed to Option C, which effectively means that GVB is going to take control of the process, design, and avoid having a third party involved as a for profit enterprise.

**Motion Approved.**

*Discussion/Comments:*

- o Director Shinohara asked if the issue was purely advertorial. Director Jackson said the issue was maintaining control and image and minimizing the amount of advertising. Director Shinohara stated that with all the different initiatives, he's worried about taking on additional responsibilities associated with shelters. Director Jackson noted that it would be covered under Option B by a bidder, they would have control without having to actually do it and would be able to RFP it out.
- o Director Kloppenburg noted by disclosure his part in the Red Guahan Trolley System so they will be utilizing shelters and would not affect them in any way. Chairman Baldyga noted that by way of disclosure he has a media company but that the bus shelter contract does not affect his company.

---

Director Jackson made a motion seconded by Director Shinohara to create a task force (bus shelter) to move forward and working with a third party for design and cost refinement that they will bring back to the board for a final decision.

**Motion Approved.**

## **B. CULTURAL & HERITAGE**

Director Arriola noted that there was a bill introduced by Senator Morrison and Senator Barnes regarding the establishment of a cultural and sports ambassador. Chairman Baldyga said they went down to testify at the hearing and GM Denight gave testimony in favor of the bill. Director Arriola said she discussed with the Senators the need for parity with regards to the current existing grant program vs. what they are looking at allocating for the ambassadorship program in regards to finances. She stressed funding fairness for the next fiscal year.

Director Arriola noted that their committee will be meeting in April and they will also be heading to the Che'lu festival in San Diego along with marketing.

Chairman Baldyga noted that in the interest of time he'd like to skip the committees and come back to them to get through the motions for approval. Because they have the option the board decided to read motion as is, not including account information.

## **C. DESTINATION MANAGEMENT**

Director Guzman proposed to create a task force to look at the Tumon Master Plan, the signage law, the CC&R's, etc. – a smaller working group would be needed. Chairman Baldyga asked if they could open participation to the board.

Chairman Baldyga noted that the Hagatna Restoration Redevelopment Authority is in the middle of a very extensive master plan worth \$800,000. The company retained to do it through GEDA is the Matrix Design Group. They met to discuss GVB's vision- not to end up with a master plan (Tumon) that take 15 million to build, but CC&R's, signage laws, maybe a phase program that they could take to the legislature to request for money- whatever is excess out of the TAF to use toward the Masterplan.

#### D. GREATER CHINA MARKETING

Director Kloppenburg noted transition meeting to go through Hong Kong, Taiwan and China. They have a draft they are working on for the Guam USA holiday campaign for 2015, and becoming "China Ready".

Chairman Baldyga asked Director Kloppenburg to explain China ready concept. Director Kloppenburg said they are partnering with United and Dynamic to try an incentive based their main suppliers in China. Also bringing in hotel partners with ground operators. General requirement to become china ready- hotel partners must commit a minimum of 5% of room allotments for the Chinese market, provide special offers for the Chinese markets, optional tours, ground transportation, etc. Airlines have committed 11,500 seat thru September.

#### E. JAPAN MARKETING

Committee Minutes dated Tuesday, February 10, 2015

Committee Minutes dated Tuesday, March 10, 2015

Exhibit C

Exhibit D

#### Guam Live Presentations

Director Morinaga made a motion, seconded by Chairman Baldyga to approve travel for the Guam Live Presentations for Spring and Summer 2015 in the Japan market as follows: (Estimated travel cost CHaCO: DM-CPO001 \$29,216.00. JA-GAMAL001 \$6,441.00. Total estimate: \$35,657.00\*)

Motion Approved

**Background:** The GLP program aims to accomplish two primary objectives in Japan:

- 1) Direct focused promotions to general consumers
- 2) Work closely with industry partners to push Guam travel

Plans include promotions in all cities that have direct flights to Guam. Courtesy calls and meetings are scheduled with government officials, travel agents, sports teams, civic organizations, and other key industry stakeholders. Where able, media is included to maximize publicity and expand Guam awareness as a unique, upscale destination.

City	Dates	Per Diem	Days	Airfare	Pro Fees	
Osaka	4/10-13/15	\$292.00	3	\$1,000.00	\$1,200.00	\$12,456.00
Fukuoka	4/17-20/15	\$304.00	3	\$1,000.00	\$600.00	\$6,336.00
Sendai	7/05-07/15	\$264.00	3	\$1,000.00	\$900.00	\$10,760.00
Sapporo	7/07-10/15	\$287.00	3	\$1,000.00	\$900.00	<u>6,105.00</u>
						\$35,657.00
Miss Guam		1	3	\$100.00	\$300.00	
Musicians		2	3	\$100.00	\$600.00	
Dancers		2	3	\$50.00	<u>\$300.00</u>	
Staff: CHaCO & Mktg		<u>2</u>	<u>3</u>		\$1,200.00	



\*Includes per diem, professional fees and airline tickets.

**Issue:** Board approval required for travel

*Discussion/Comments:*

### Japan Guam Tourism Council Meeting

Director Nakajima made a motion, seconded by Director Shinohara to approve travel for the JMC Chairman and the GVB General Manager or his designee to Tokyo, Japan to join the Japan Guam Tourism Council meeting (Kanto Region). Travel is scheduled for April 7, 2015. Cost is approximately \$2,447.50 from the FY2015 JA# SMD008 Account.

**Motion Approved**

Marketing	Lodging	M&IE	Total
JMC Chairman	Day Trip	\$223.75 x 1 day	\$223.75
GVB General Manager	Day Trip	\$223.75 x 1 day	\$223.75
Airfare	\$1,000 x 2 pax		\$2,000.00
	TOTAL		\$2,447.00

**Background:** The Japan Guam Tourism Council (JGTC) Kanto Region is meeting on April 7, 2015 and the GVB General Manager is asked to join the meeting.

The JGTC meetings are an important component of GVB's trade outreach in across Japan with the Kanto meetings being the key outbound region for Guam.

**Issue:** Board approval required for travel.

*Discussion/Comments:*

- o Director Morinaga noted that Dr. Fujikawa will be visiting GVB regarding the recycling study that was completed.
- o Director Morinaga said that because Japan numbers are in decline, they will be meeting to talk about what can trigger consumers to come to Guam. He said that consumers are smarter compared to before. They have choices in destinations and also economy has changed. Airlines have been cutting down on their seats, and Hawaii and Okinawa have become competing destinations.
- o Director Kloppenburg noted that the one constant has always been Japan and after 23 months of decline in market share he is concerned. He said the board needs to address how they currently operate in Japan, take a look at business model, research other alternatives and open up debate. Changes needed to be made because without Japan there is no survival in the long run. He also cautioned against being so heavily dependant on the volatile Korean market.
- o Director Morinaga noted that in Japan they would need to change the whole concept of being dependant to the wholesaler. Japanese still use travel desk to buy tours, unlike American markets. The changes he would like to make is how to trigger their minds, pushing the location of Guam only being 3 hours away. Director Nakajima stated that in addition to the JMC meetings, he proposed a meeting of the Chairs to discuss more in-depth issues.

- o Director Kloppenburg recommended forming a task force within the Executive Committee to which Chairman noted there is already a JMC. Director Morinaga said he understands the concerns and will have a better update during the next board meeting.
- o Chairman Baldyga said he's hearing 2 different issues. The first is the issue of the marketing efforts in Japan and the second is the Japan office operating the same way for a long time. There's a desire to examine how they conduct business in the Japan office and he closed the discussion noting complete faith and trust in JMC but he recommended that leadership run the business as they choose but also encourage them to consider inviting people they think might add to the conversations to interim meetings among JMC leadership.

## F. KOREA MARKETING

Chairman Kloppenburg noted that GEDA is doing a trade mission April 6<sup>th</sup>, 7<sup>th</sup> and 8<sup>th</sup>. The Governor will be attending.

## G. MEMBERSHIP & COMMUNITY OUTREACH

Director Guzman noted they are focusing on incentives and attendance. Also creating a section of the website for members only to highlight some benefits of being a member.

## H. NORTH AMERICA & PACIFIC MARKETS

Committee minutes dated Wednesday, March 11, 2015

Exhibit E

Director Arriola reported that as directed by management the committee has started formulating the FY16 budget. She also thanked United for committing to putting an airfare offer together for Che'lu.

### PATA Annual Summit/PATA Annual General Membership Mtg-April 22-27, 2015

Director Arriola made a motion, seconded by Director Shinohara to approve travel for Marketing Manager, one (1) GVB staff, one (1) Senator to attend PATA Annual Summit / PATA Board Meeting in Leshan, Sichuan, China from April 22-27, 2015. (Estimated cost of travel: \$9,725.80 from FY2015 Acct# PA-SMD025)

Motion Approved

Airfare:	\$2,000 x 3 pax	\$6,000.00
Perdiem:	\$241.00 + 30% x 6 days (Senator)	\$1,879.80
Perdiem:	\$241.00 x 6 days x 2 pax	\$1,446.00
Misc. (excess baggage, etc.)		<u>\$ 400.00</u>
<b>Total:</b>		<b>\$9,725.80</b>

**Background:** The Summit is PATA's annual signature event attracting members, partners, non-members and media delegates for the conference, PATA Youth Symposium, PATA Executive Board and Committee meetings, and the 64<sup>th</sup> Annual General Membership Meeting 2015. Normally held in April and attracting 200-400 delegates from 30+ countries, brings together international thought leaders, industry shapers, and senior decision-makers who are professionally engaged with the Asia Pacific region. The Summit serves both as the Association's Annual General Membership (AGM) and as a global tourism forum for enhancing the sustainable growth, value and quality of travel and tourism to, from and within the Asia Pacific region.

The Summit consists of a one-day international conference, AGM, Board and Executive Board Meetings, Committee Meetings and the PATA Youth Symposium. The one-day conference aims to bring together domestic and international thought leaders and industry shapers to discuss relevant travel and tourism



industry trends and topics. Delegates are offered extensive pre or post touring options to visit the surrounding attractions, highlighting the various offerings of the destination.

The Guam Visitors Bureau is an active member and a leading organization in PATA Int'l and PATA Micronesia Chapter.

**Issue:** Board approval needed for travel.

*Discussion/Comments:*

- Director Arriola read the motion and Chairman Baldyga questioned why the GM was not attending. Pilar said it's a PATA AGM and PATA World Chapters and the GM could go if he's available. Chairman noted that it would be worthwhile for GM to attend to engage with PATA.

---

**International Pow Wow (IPW) – May 30 – June 3, 2015**

Director Arriola made a motion, seconded by Director Jackson to approve travel for the GVB Marketing Manager and three Marketing Officers, to attend the 47th U.S. Travel Association IPW in Orlando, Florida during May 30 – June 3, 2015. Travel cost is approximately \$14,128.00 and will come out of the following accounts: \$4,709.34 - US-TTC044, \$4,709.33 - CI-SMD023 and \$4,709.33 - JA-SMD008

**Motion Approved**

Airfare	\$2,250.00 x 4 pax	\$9,000.00
Per Diem (Lodging)	\$115/night x 6 nights x 4 pax	\$2,760.00
Per Diem (M&IE)	\$56/day x 7 days x 4 pax	\$1,568.00
Misc Expenses (excess baggage):		\$800.00
	<b>TOTAL</b>	<b>\$14,128.00</b>

**Background:** The U.S. Travel Association is the national, non-profit organization representing all components of the travel industry that generates \$2.1 trillion in economic output and supports 14.9 million jobs. U.S. Travel's mission is to increase travel to and within the United States.

U.S. Travel Association's IPW is the travel industry's premier international marketplace and the largest generator of travel to the U.S. – it is NOT a typical trade show. In just three days of intensive pre-scheduled business appointments, more than 1,000 U.S. travel organizations from every region of the USA (representing all industry category components), and more than 1,300 international and domestic buyers from more than 70 countries conduct business negotiations that result in the generation of more than \$4.7 billion in future Visit USA travel. At IPW, buyers and sellers are able to conduct business that would otherwise be generated only through an exhaustive number of around-the-world trips.

Now in its fourth year as the premier partner of IPW, Brand USA looks forward to welcoming travel professionals around the globe to IPW in Orlando. As the nation's destination marketing organization, Brand USA inspires travelers worldwide to experience the United States' boundless possibilities. In 2013, Brand USA's marketing efforts helped welcome 1.1 million additional visitors to the USA.

This year IPW will be held Saturday, May 30 through Wednesday, June 3, at the Orange Country Convention Center in Orlando, Florida. IPW will have more than 1,100 exhibitor booths held by U.S. Suppliers of USA travel products and destinations and more than 5,000 attendees who are international travel buyers, domestic travel buyers and international journalists representing more than 70 countries.

GVB plans to send the Marketing Manager and key marketing staff to this very important and strategic event to maximize one-on-one appointments with key media, buyers and trade professionals from our source markets and from around the world.

Over the 3 days of one-on-one pre-scheduled appointments GVB has consistently been able to conduct with over 130 buyers and 28 media representatives during our participation at the Media Marketplace. The GVB delegates also will meet numerous travel industry delegates during the networking events held during the 5 days of IPW.

**Action:** Board approval for travel required.

*Discussion/Comments:*

### Scuba Show 2015/Micronesia Seminar

Director Arriola made a motion, seconded by Director Kloppenburg to approve travel for GVB Marketing Manager and one (1) GVB Marketing Staff to attend the Scuba Show 2015/Micronesia Product Update Seminar to be held June 6-9, 2015 in Long Beach, California and the Guam/Micronesia Product Update Seminars in Long Beach, California, during June 8 - 10, 2015. (Travel cost approximately \$8,908.00; N. America Acct. #US-TTC066)

**Motion Approved**

Airfare (\$2,200 x 2 pax)	\$4,400.00
Per Diem - Lodging/MIE (\$209/day x 6 nights x 2 pax)	\$ 2,508.00
Excess Baggage	\$ 400.00
Miscellaneous/Unanticipated & Event Expenses	\$1,500.00
<b>TOTAL</b>	<b>\$8,908.00</b>

**Background:** The Scuba Show in its 28<sup>th</sup> year attracts more than 10,000 consumers with around 72% looking for dive destinations and looking to explore destination exhibits. GVB's presence at the 2014 Scuba Show generated significant interest with many inquiries about Guam and it's underwater offerings.

At the recent 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 FY15 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.

As the gateway to Micronesia and America in Asia, Guam is strategically positioned to accommodate the dive enthusiasts as a quick layover, looking for a safe US destination or as a destination with many adventures and shopping options. Scuba diving and diver travelers are known as affluent travelers contributing to the overall tourism industry on Guam. An average two-tank boat dive on Guam is around \$175 per person with the typical "diver" purchasing at least two dive tours during a visit. At least 67,000 divers frequented Guam in 2014 to equate to millions of dollars in gross revenue for the island. We are also pleased to announce that the Guam Tropical Dive Station (GTDS) was awarded the PADI Award for certifying more than 35,000 divers over 12 months.

While participating at the Scuba Show we look forward to sharing the 2015 Events Calendar, all the upcoming sport/art/cultural events coming up in 2015/2016 and to push our FESTPAC 2016 that will be to give the divers more time to plan out their next dive trip and choose destination Guam.

Along with selling Guam and Micronesia, we would like to host a series of seminars and workshops with the active travel agents in the area and to have the chance to 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 2015 Visiting Friends and Relatives marketing strategy and awareness while in California.

**Action:** Board approval for travel required

*Discussion/Comments:*

## I. RESEARCH

Director Shinohara noted they will have their first committee meeting on Tuesday and on the list is reviewing the revised customs form.

## J. RUSSIA & NEW MARKETS

Committee minutes dated March 3, 2015

Exhibit F

### Pacific International Tourism Expo (PITE) 2015

Director Jackson made a motion, seconded by Director Guzman to approve travel for Senator Tina Muna Barnes, Russia & New Markets Committee Chairman, GVB General Manager or his designee, GVB Marketing Manager, & (2) GVB marketing staff along with with (6) Cultural Entertainers & (1) Miss Guam to attend the 2015 Pacific International Tourism Expo (PITE) in Vladivostok, Russia from May 21-23, 2015. (Cost approximately \$21,817.50, Acct. No. TTC083) & \$24,346.50, Acct. No. DM-CPO008)..

#### Travel Expenses:

Airfare: \$1,500.00 x 13 pax = \$19,500.00

Per Diem: Senator:

Lodging \$287.30/day x 4 days = \$1,149.20

M&IE: \$148.20/day x 5 days = \$741.00

#### Russia & New Markets Committee Chairman & General Manager

Lodging \$276.25/day x 4 days x 2 pax = \$2,210.00

M&IE: \$142.50/day x 5 days x 2 pax = \$1,425.00

#### Marketing Manager

Lodging \$221.00/day x 5 days = \$1,105.00

M&IE: \$114.00/day x 6 days = \$684.00

#### GVB Marketing Staff

Lodging \$221.00/day x 6 days x 2 pax = \$2,652.00

M&IE: \$114.00/day x 7 days x 2 pax = \$1,596.00

#### Entertainers & Miss Guam

Lodging \$221.00/day x 4 days x 7 pax = \$6,188.00

M&IE: \$114.00/day x 5 days x 7 pax = \$3,990.00

#### Professional Fees

Entertainers & Ms. Guam \$100.00/day x 3 days x 3 pax = \$900.00

Dancers: \$50.00/day x 3 days x 4 pax = \$600.00

Anticipated Expenses: \$3,423.80

(Excess baggage, communication, meeting expenses, visa processing, etc.)

**TOTAL EXPENSE: \$46,164.00**

**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 in 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/Comments:*

- o Director Jackson noted that 95% of business from Russia comes from the far east and that this is the only far east travel show and it's important to attend if we want to remain in the market. In the interest of saving money he's not opposed to having the delegation be management and the Senator, and not sending entertainment and Miss Guam because the Russian market is so challenged and not likely to change before the end of the year.
- o Pilar requested to still include Miss Guam and Director Jackson said they can modify the motion.

Director Jackson made a motion, seconded by Director Kloppenburg to modify to include along with the management representation- which includes the official delegation to include Miss Guam, and pass on the cultural entertainers.

**Motion Approved.**

Chairman Baldyga made a motion, seconded by Director Shinohara to withdraw the initial motion.

**Motion to withdraw approved.**

Chairman Baldyga noted that the money needed to be adjusted.

Director Shinohara made a motion, seconded by Director Kloppenburg to approve travel for everyone on the list with the exception of the entertainers, excluding Miss Guam, and the associated expenses related.

**Motion Approved.**

Chairman Baldyga requested to double check if motions are OK and if not, to be revisited at the next meeting.

Chairman Kloppenburg requested to continue the dialog of the Japan issue

## **K. SPORTS & EVENTS**

Katarina noted they had their first introduction meeting and will be starting off with a clean slate looking toward potential members.

## **L. VISITOR SAFETY & SATISFACTION**

Committee minutes dated Wednesday, March 4, 2015

**Exhibit G**

Director Im noted their first meeting on March 4<sup>th</sup>, discussed about how they will process in the future, introductions of one another. They will have another report for next board meeting



**M. ADMINISTRATION & GOV'T RELATIONS**

**IX. OLD BUSINESS**

**X. NEW BUSINESS**

**XI. EXECUTIVE SESSION**

**XII. ANNOUNCEMENT**


**Upcoming Board Meetings:**


- o Thursday, March 26 at 4:00pm, GVB Main Conference Room.
- o Thursday, April 9 at 4:00pm, GVB Main Conference Room.

**Announcements:**

Chairman Baldyga made a motion, seconded by Director Kloppenburg, to adjourn the meeting. Meeting adjourned at 5:35pm. **Motion unanimously approved.**

**XIII. ADJOURNMENT**

  
\_\_\_\_\_  
Mrs. Theresa C. Arriola, Secretary of the Board of Directors

  
\_\_\_\_\_  
Board Minutes respectively submitted by Dara Roberto, Executive Secretary

Action Item:

1. ~~Management to set up the time for airport walk through~~
2. Management to Schedule a working session meeting with the Board and the Senators.
3. ~~Verify with legal if they could dispense with reading all motions.~~
4. Look into “guest house” issue regarding zoning, licensing, taxation, safety, etc.
5. Task force to be established by the Chairman for the Guam Tourism Academy
6. Create a budget for photographer/Guam Photo Library
7. Make welcome experience at the airport a priority.
8. Make signage/touting/abandoned building/hand-billing legislation priority.
9. Management to follow up with GEDA and MATRIX regarding a proposal for a Master Plan
10. Management to report back with recommendations for photographer
11. Budget discussion at the board level for Festpac
12. Tumon Masterplan Task Force