



BOARD OF DIRECTORS REGULAR MEETING

Thursday, June 25, 2015 - 4:00 p.m.

Guam Visitors Bureau- Main Conference Room

BOARD of DIRECTORS PRESENT:

Chairman Mark Baldyga
 Director Sam Shinohara
 Director Robert Hofmann
 Director Theresa Arriola
 Director Norio Nakajima

Director Bruce Kloppenburg
 Director Katarina Sgro
 Director Hong Soon Im
 Director Eduardo Calvo
 Director Bart Jackson

BOARD of DIRECTORS ABSENT:

Director Shelly Calvo - Off-island
 Director Milton Morinaga - Off-island
 Director Clifford Guzman - Sick

GVB MANAGEMENT & STAFF PRESENT:

Dara Roberto
 Nicolas Yasuhiro
 Gina Kono
 Colleen Cabedo
 Antonio Muna Jr.
 Rose Cunliffe

Lisa Linek
 Brian Borja
 Kraig Camacho
 Ana Cid
 Meriza Peredo
 Doris Ada

Pilar Laguana
 Regina Nedlic
 Mark Manglona
 DGM Telo Taitague
 Nakisha Onedera
 Josh Tyquiengco

GUESTS:

Michael Elliott - GPD
 Jon Carbullido - GPD
 Alan Cepeda - Office of Senator Tina Muna-Barnes

I. CALL TO ORDER

Director Kloppenburg called the meeting of the board to order at 4:25 p.m.

II. MINUTES OF THE PREVIOUS MEETING

Exhibit A

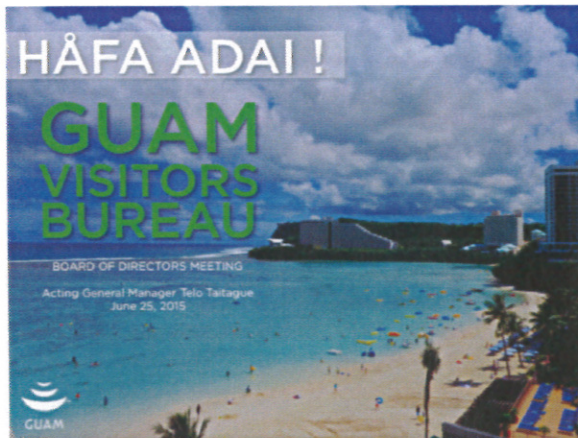
Director Jackson made a motion, seconded by Director Shinohara, to approve the minutes of the previous Board of Directors meeting dated May 28, 2015. **Motion Unanimously Approved. (Subject to minor revisions)**

III. CHAIRMAN'S REPORT

Chairman Baldyga reported they had a nice dinner with the Vice Governor of Shenyang Province. He said they are very interested in direct service to Guam on a charter basis initially, with movement into regularly scheduled service. Marketing Manager Pilar Laguana added they recently drafted a MOU between Shenyang Tourism Bureau and GVB.

Chairman Baldyga reported meeting with the Pacific Fellow Regional Leadership Group led by former Honolulu Mayor, in which they discussed Tourism 2020 and his input on the business improvement district.

IV. GENERAL MANAGER'S REPORT



PRELIMINARY Visitor Arrivals MAY 2015 Total: 96,873 (6.9%)

% Market Mix	Origin	Pax	% to LY
50.9%	Japan	49,270	1.3%
30.9%	Korea	29,904	26.5%
5.8%	US/Hawaii	5,648	21%
3.4%	Taiwan	3,338	-16.5%
1.1%	China	1,092	40.9%
0.2%	Russia	175	-91.6%

PRELIMINARY Visitor Arrivals CYTD 2015 (January 2015 – May 2015) Total: 570,029 (2.7%)

% Market Mix	Origin	Pax	% to LY
57.6%	Japan	328,562	-4.0%
27.4%	Korea	156,241	29.4%
5.2%	US/Hawaii	29,702	9.4%
3.0%	Taiwan	16,954	-11.7%
1.7%	China	9,906	58.5%
0.3%	Russia	1,487	-83.9%

PRELIMINARY Visitor Arrivals FYTD 2015 (October 2014 – May 2015) Total: 899,973 (1.9%)

% Market Mix	Origin	Pax	% to LY
58.2%	Japan	523,614	-5.2%
26.5%	Korea	238,928	26.5%
5.1%	US/Hawaii	46,128	12.6%
2.9%	Taiwan	26,090	-13.4%
1.6%	China	14,442	59.5%
0.3%	Russia	2,792	-77.7%

PRELIMINARY MTD Visitor Arrivals
June 1 - 23, 2015
Total: 75,746 (-2.1%)

% Market Mix	Origin	Pax	% to LY
54.9%	Japan	41,533	-5.1%
30.8%	Korea	23,312	12.1%
5.2%	US/Hawaii	3,906	8.3%
3.1%	Taiwan	2,338	-33.5%
1.1%	China	799	41.2%
0.3%	Russia	244	-86.2%

Korea Marketing News

Air Busan Direct Service

- First flight arrives July 23 @ 3:10 a.m.
- Direct service 4x a week
- 3rd airline to service Busan-Guam route
- Fun fact: Busan is Korea's second largest city
- Added flight brings total Korea potential capacity to around 550,000



MERS Update

- Guam is MERS free!
- Korea has reported increased cases, but it is contained in hospitals
- World Health Organization has not declared MERS an epidemic
- MERS is not easily transmitted
- South Korea has stricter controls in place to identify and monitor travelers
- CDC will work with South Korea and Guam to ensure persons of interest are identified and contacted quickly
- Guam continues to monitor for any potential MERS cases
- Public Health worked with GVB to translate MERS information to travelers
- MERS has not negatively affected tourism arrivals

Sports & Events

Guam Live : June 5-6, 2015

- 8,000 people visited
- 500 International Visitors
- 3 International Media Attended
- Est. \$250k in exposure for Guam



Sports & Events

Guam Micronesia Island Fair: June 12-14, 2015

- Over 35,000 people visited the fair
- 60 international media attended
- Est. \$6M in exposure for Guam
- Opening ceremony featured prelude to FestPac and over 200 cultural performers
- Record number of vendors participated (over 100)



After the Acting General Manager's report, Lieutenant Carbullido of the Guam Police Department spoke to the Board to address concerns regarding crimes targeting tourists. He stated the crimes are occurring widespread throughout the island. He noted the steps GPD is taking to address these concerns:

- o Email to Chief Cruz to discuss & come up with overall operations plan.
- o Tumon Precinct operations plan:
 1. Teams conducting directive patrol - concentrating on areas previously hit.
 2. Working with Strikeforce: Undercover Officers including Detectives.
 3. Working directly with Tiyan Detectives on cases.

Lieutenant Carbullido noted that despite all their efforts, they are working with minimum resources. There are 3 officers assigned to Tumon Precinct whose areas of responsibility include Tumon to East Hagatna and Barrigada Heights. At times they've had to divert beach patrol to augment regular patrol officers.

The Board acknowledged the need for further action. Recommended suggestions:

- o Safety information awareness to the consumer on GVB website, rental car counters, maps, and tourist television channels (Japanese & Korean).
- o Safety tips: Do not leave passport in vehicle, do not leave valuables in vehicle, do not leave valuables visible, etc.
- o Consider expanding VSO or modified security program to monitor areas outside of Tumon such as the overlooks.
- o Shopping centers to assist by increasing its on-property security.
- o Hiring off-duty police officers as 30-60 day VSO contract workers strictly for Tumon.
- o Authorizing the VSO thru new legislation later this year, to issue citations such as handbilling, beach fires, etc.
- o Solicit the support of the AG's Office to address the seriousness and impact to the local economy. Stricter penalties for offenders.

V. TREASURER'S REPORT

Exhibit B

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

FY 2014 (06/23/2014)	Balance	FY 2015 (06/24/2015)	Balance
BANK OF GUAM	\$6,920,729.44	BANK OF GUAM	\$8,411,260.16
FIRST HAWAIIAN BANK - Membership	\$52,389.53	FIRST HAWAIIAN BANK - Membership	\$78,113.90
RESONA BANK	\$184,222.34	RESONA BANK	\$278,798.51
BOG - TAF ACCOUNT	\$1,033,842.46	BOG - TAF ACCOUNT	\$1,932,968.53
BOG - RAINY DAY FUND	\$1,811,676.21	BOG - RAINY DAY FUND	\$2,052,160.21
BOG - FESTPAC Trust Account	\$1,486,193.08	BOG - FESTPAC Trust Account	\$2,696,047.59
MORGAN STANLEY - CD **	\$2,508,952.59	MORGAN STANLEY - CD **	\$2,512,398.45
BOG - 2/12 Memorial Fund	\$9,696.71		
TOTAL CASH IN BANKS AS OF 06/23/14	\$14,007,702.36	TOTAL CASH IN BANKS AS OF 06/24/2015	\$17,981,747.35
**Morgan Stanley CD Market value as of 06/30/13 (value if withdrawn prior to maturity - Maturity Date October 2013)		**Morgan Stanley CD Market value as of 5/31/2015	
FY 2014 BUDGET P.L. 32-068	\$ 18,262,134.00	FY 2015 BUDGET P.L. 32-181	\$ 23,847,696.00
OPERATIONS TAF Special Projects		Operations	\$ 20,715,000.00
\$15,487,134.00	\$2,000,000.00	Destination Development	\$ 1,085,000.00
PASS THRU APPROPRIATIONS - \$775,000.00		Capital Improvement Projects	\$ 1,412,696.00
		Pass-thru Appropriations	\$ 1,235,000.00
OPERATIONS	TAF Special Projects	Pass-thru	
11/14/13 \$1,161,535.00	\$ 150,000.00	\$ 58,125.00	
11/15/13 \$1,161,535.00	\$ 150,000.00	\$ 58,125.00	
11/29/13 \$ -0-	\$ -0-	\$ 7,500.00	
12/11/13 \$1,161,535.00	\$ 150,000.00	\$ 63,750.00	
12/24/13 \$ -0-	\$ -0-	\$ 3,750.00	
01/10/14 \$1,032,535.00	\$ 150,000.00	\$ 26,250.00	
01/21/14 \$ -0-	\$ -0-	\$ 2,500.00	
02/11/14 \$ 386,100.00	\$ 150,000.00	\$ 22,500.00	
03/17/14 \$1,936,970.00	\$ 150,000.00	\$ 96,000.00	
04/17/14 \$1,290,535.00	\$ 150,000.00	\$ 80,250.00	
05/09/14 \$ 649,817.55	\$ 150,000.00	\$ 56,250.00	
06/19/14 \$1,161,535.00	\$ 150,000.00	\$ 56,250.00	
\$9,841,297.55	\$1,350,000.00	\$ 531,250.00	
Total FY 2014 Allotment Received to Date:	\$11,822,547.55		
Accounts Receivable FY 2014	\$8,439,586.45		
FY 2014 ACCOUNTS PAYABLE as of 05/19/14	Amount		
Asatsu invoices April 2014	\$210,819.24		
Japan Miscellaneous Invoices	\$25,858.93		
Guam Miscellaneous Invoices	\$508,302.43		
FY 2011/2012/2013 Pass-thru appropriations	\$297,842.24		
FY 2014 Pass-thru appropriations	\$26,250.00		
Encumbered Contracts (not yet incurred)	\$2,376,108.43		
Encumbered Purchase Orders (not yet incurred)	\$183,086.35		
FESTPAC Trust Account	\$1,486,193.08		
Total Payables to Date	\$5,114,460.70		

Discussion/Comments:

- Director Shinohara reported we are on track with allotments releases.

FESTPAC BUDGET

- Director Arriola noted that looking at the Festpac Funds, we are less than a year away and are still at 50%. She asked if it was an allotment issue and if they will be receiving the funds by January.
- Chairman Baldyga stated we should be aware and monitoring total Festpac Budget needs. He asked management to present to The Board by the next meeting:
 - A total Festpac Budget.
 - Sources of funding already approved & still needed
 - How the accounts will be handled & administrated.
- Director Shinohara stressed the importance of fiduciary responsibilities associated with all of the accounting

VI. REPORT OF THE BOARD COMMITTEES

A. EXECUTIVE COMMITTEE

71st Guam Liberation Festivities in Washington, DC

Director Kloppenburg made a motion, seconded by Director Jackson to ratify Executive Committee's approval for travel of the five (5) pax (First Lady Christine Calvo & Security, GVB DGM, GVB CHO and Miss Guam Liberation Queen 2014) to participate in the 71st Guam Liberation Festivities in Washington, DC from July 9-14, 2015. (Cost approximately \$27,029.50 from Account # DM-CPO006).

Motion Approved

Airfare: 5 pax @ \$3,500 each	\$17,500.00
Per Diem:	
\$293.00 x 6 days x 4 pax	\$7,032.00
\$366.25 x 6 days x 1 pax	\$2,197.50
Honorarium: \$100 x 3 days	\$300.00
Total Estimated Cost:	\$27,029.50

Background: This year marks the 71st anniversary of Guam's Liberation and Congresswoman Madeleine Bordallo will be hosting events in Washington D.C. Her office is in charge of the Wreath Laying Ceremony at the Tomb of the Unknown Soldier and has invited Miss Guam and GVB to participate. She will also be hosting the Guam Liberation "Guam Night" Reception. The reception demonstrates Guam as a unique travel destination by providing cultural experiences, including Chamorro food, music, and cultural performances.

Issue: Board approval required for all travel

Discussion/Comments:

- Chairman Baldyga noted for the record, the Chair is specifically voting since they have 8 Directors present – let the record show Director Shinohara stepped out. Chairman Baldyga also noted for clarity, at the time the meeting was called to order and minutes were approved, he and Director Calvo were not present but they were present immediately after (just for voting record purposes).

AIRLINE & JGTC MEETING

Director Kloppenburg made a motion, seconded by Director Jackson to ratify Executive Committee's approval for the travel of General Manager or his representative, the JMC Chairman, and one marketing staff to conduct meetings with airlines and attend the Japan Guam Tourism Council meeting. (Estimated cost of travel; \$7,886.00; account JA-SMD045)

Motion Approved

Background: With the declining air seat capacity from the Japan market meetings are being scheduled from June 23 – June 25 to request for additional seats and flights including flights from Haneda. In addition to the airline meetings the Kanto Japan Guam Tourism Council meeting will take place on June 26, 2016 to maximize our presence in Tokyo.

Cost Breakdown

Airfare	\$1,000.00	3 pax	\$3,000.00
	Per diem	Days	
JMC Chair	\$436.25	4	\$1,745.00
General Manager	\$436.25	4	\$1,745.00
Nadine Leon Guerrero	\$349.00	4	\$1,396.00
			<hr/>
			\$7,886.00

Issue: Board approval required for all travel

B. KOREA

Director Jackson reported Korea is doing generally well and still growing.

- o Airbusan coming in July
- o Tway coming in September with daily service from Seoul
- o Tway to add service from Osaka beginning in October
- o Airbusan prelaunch event in Busan
- o Concluded Hana tour trade show first week of June
- o Concluded official trade show Kotfa 2nd week of June

Director Jackson added they are working diligently to address theft issues as well as the home-stay issue.

Chairman Baldyga noted Rev n Tax has requested GVB fund 2 audit staff to look into home-stay problem. He added that the Board had some concerns and would like to have more discussion and table the issue until GM Denight returns.

C. MEMBERSHIP & COMMUNITY OUTREACH

Acting GM Telo Taitgue reported they interviewed 1 candidate for the Membership Coordinator Position and now in the process of negotiating.

D. NORTH AMERICA & PACIFIC MARKETS

Director Arriola reported the upcoming events:

- o Philippine Travel Madness Expo July 3-5
- o Pata Micronesia Chapter in Kosrae
- o Pata Executive Board Meeting September 4-6
- o Pata Travel Mart India September 6-8
- o Australia's International Dive Expo September 12-13
- o DGM Telo Taitague returned from Pata Symposium Training

E. RESEARCH

Director Shinohara announced Ms. Ana Cid as the new Research Manager replacing Ms. Debbie Phillips who has retired.

F. RUSSIA & NEW MARKETS

G. SPORTS & EVENTS

Director Arriola congratulated Team Matao on their victory (against Turkmenistan and India). Director Shinohara reported that the GFA would be hosting Iran and Oman and it's an opportunity for us to better showcase Guam this time around. He added it would provide great international publicity. Chairman Baldyga asked Management to look into how we can leverage and support the next GFA event from a promotional standpoint.

Chairman Baldyga reported they met with IMG about possible sponsorship for Asian PGA Tour Stop in Guam. He added that it would be a great event because of worldwide TV coverage, but funding might be an issue. IMG is creating a formal proposal to be presented to the Board.

H. VISITOR SAFETY & SATISFACTION

Director Im noted the next committee meeting July 1st. He added that the Airport Ambassador MOU would be signed by next week.

I. ADMINISTRATION & GOV'T RELATIONS

PEACE FESTIVAL

Director Kloppenburg made a motion to approve sponsorship and financial support of the Peace Festival to be held at the Government House, Hagatña in December 2015.

Motion Withdrawn

Background: Governor Eddie Baza Calvo and First Lady Christine Calvo opened Government House to the community in 2013, inviting tourists and residence to visit the first Peace Festival.

Bill 83-33, which was signed into law, appropriated \$900,000 to the Guam Visitors Bureau for operational needs and to host the PATA Annual Summit in 2016. In GVB's testimony of support, we indicated that \$300,000 of the \$900,000 would be used for the Annual Peace Festival.

The Peace Festival is a signature holiday event that occurs every year in the capital city of Hagatña and is in line with the Tourism 2020 Plan to promote tourism outside of Tumon.

For 2013, Executive Security at Government House recorded over 18,000 visitors during the Peace Festival. For 2014, over 25,000 visitors were recorded.

Budget Breakdown:

Decorations and Lights	\$165,000.00
Installation, Breakdown, Management	\$75,000.00
Electrical Work	\$35,000.00
Ceremonies, Entertainment	\$25,000.00
TOTAL BUDGET	\$300,000.00

Issue: Board Authorization Required.

Discussion/Comments:

- Chairman Baldyga noted the motion did not specify the amount or the account it would be taken. He said based on the information received, the budget would be up to 400k, and for clarity the budget would come from recently passed bill 83-33 - which is listed in the background but not the motion.
- Chairman Baldyga suggested with everyone's approval that Director Kloppenburg withdraw the first motion and amend the motion to include amount and source.

Director Kloppenburg made a motion, seconded by Director Jackson to approve sponsorship and financial support of the Peace Festival to be held at the Government House, Hagatña in December 2015, up to the amount of \$400,000 which will come out of Bill 83-33.
Motion Approved

J. CULTURE & HERITAGE

Director Arriola invited the Board to attend the Chamorro Cultural Festival at the UOG Calvo Fieldhouse this weekend – the only Chamorro Cultural Festival.

K. DESTINATION MANAGEMENT

BUS SHELTERS

- Acting GM Telo Taitague reported the proposals are being looked at.
- Chairman Baldyga proposed resuming the bus shelter task force group. He suggested setting up a meeting to discuss what should be included, the price point, and where everything is at, etc.

L. GREATER CHINA

Committee minutes dated June 19, 2015

Exhibit C

Director Kloppenburg reported Taiwan and Hong Kong numbers are dismal but they are working with travel agents to promote the area. They are also conducting joint promotion marketing campaigns with the airlines and famous brands. He reported that China is up 15%. The next GCM is July 10th.

M. JAPAN

Committee minutes dated June 9, 2015

Exhibit D

Director Nakajima reported that Director Morinaga, Marketing Office Nadine Leon Guerrero and GM Denight traveled to Japan to meet with United, Delta, Japan Air, China Air, Korean Air and ANA to discuss additional seats as well as additional flights.

Director Nakajima reported positive feedback from the tour agents regarding the incentive program. He noted they are very aggressive and requested to change their goal to 150% in September.

Director Nakajima reported very positive feedback from the recent Hafa Adai Study Tour participants. It was suggested next time GVB conduct frontline agent only study tours.

Director Nakajima reported during the last JGTA meeting, members expressed concern about traffic flow and congestion issues in certain areas of Tumon.

Chairman Baldyga added that JTB World Vacations recently celebrated its 25th Anniversary. The Global President of JTB World and JTB Look expressed its target goal will be to increase JTB Look to 300,000pax. Chairman Baldyga encouraged JMC to look more aggressively towards group business for the 2016 budget cycle.

The next JMC meeting is July 14.

KASHIWA FESTIVAL

Director Nakajima made a motion, seconded by Director Kloppenburg to approve travel for General Manager, Board Director Hofmann, Miss Guam and one marketing staff to attend the Kashiwa Festival from July 24 - 27, 2015. (Account JA-SMD002. Estimated cost of travel \$10,282.00).

Motion Approved

Background: This year marks the 24th anniversary of the signing of our friendship agreement. In keeping with our Friendship Agreement signed in 1991, a group of students from Kashiwa come to Guam every year. In exchange Guam participates in the festival that includes a trip to Guam as a grand prize awarded on the main stage.

Delegation	Per diem	Days	Per diem total	Airfare	Total
BOD Director	\$436.25	4	\$1,745.00	\$1,000.00	\$2,745.00
General Manager	\$436.25	4	\$1,745.00	\$1,000.00	\$2,745.00
Miss Guam	\$349.00	4	\$1,396.00	\$1,000.00	\$2,396.00
Japan Marketing Officer	\$349.00	4	\$1,396.00	\$1,000.00	\$2,396.00
					\$10,282.00

Issue: Board approval required for travel

- Chairman Baldyga called a 1-minute recess.
- Director Sgro left the meeting at 5:02pm.

VII. OLD BUSINESS

VIII. NEW BUSINESS

IX. EXECUTIVE SESSION

X. ANNOUNCEMENT

Upcoming Board Meetings:

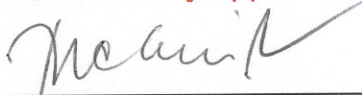
- Thursday, July 9, 2015 at 4:00pm, GVB Main Conference Room.
- Thursday, July 23, 2015 at 4:00pm, GVB Main Conference Room.

Announcements:

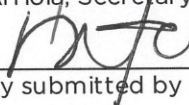
- From the Office of Congresswoman Bordallo: Invitation for the Board to attend the wreath laying ceremony at the Tomb of the Unknowns, Friday, July 10 at Arlington National Cemetery.
- News release: Dynamic Air to introduce 33 nonstop charter flights to Guam- carrying about 5,000 Chinese travelers.

XI. ADJOURNMENT

Chairman Baldyga made a motion, seconded by Director Jackson, to adjourn the meeting. Meeting adjourned at 5:46p.m. **Motion Unanimously Approved.**



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



Board Minutes respectively submitted by Dara Roberto, Executive Secretary

Action Item:

1. Management to finalize signage/touting/abandoned building/hand-billing legislation and submit by August 1, 2015.
2. Tumon Masterplan Task Force
 - o Management to incorporate into a capital request for funding possibly via a bond.
 - o Submit a draft plan by August 1, 2015
3. Management to schedule briefing for Senators: Overview/Budget Preview/5yr CAPX
 - o Possible breakfast meeting
4. Management to create a promotional video for all markets.
5. Management to request PATA to schedule a task force in conjunction with the PATA Conference. Schedule by September 1, 2015.
6. Community Outreach to develop a plan for increasing public awareness of GVB's actions and contributions to the community by August 1, 2015
7. Management to present to the Board at the next meeting:
 - o Total Festpac Budget
 - o Sources of funding already approved and still needed
 - o How the accounts will be handled and administrated
8. Resume bus shelter task force meetings to review issues, what was proposed, price point, etc.
9. Management to look into how GVB can leverage and support the next GFA event from a promotional standpoint