



BOARD OF DIRECTORS REGULAR MEETING

Thursday, July 23, 2015 - 4:00 p.m.

Guam Visitors Bureau- Main Conference Room

BOARD of DIRECTORS PRESENT:

Director Theresa Arriola	Director Sam Shinohara
Director Norio Nakakima	Director Milton Morinaga
Director Hong Soon Im	Director Bart Jackson
Chairman Mark Baldyga	Director Bruce Kloppenburg
Director Katarina Sgro	Director Robert Hofmann

BOARD of DIRECTORS ABSENT:

Director Eduardo Calvo - Off-island
 Director Shelly Calvo - Off-island
 Director Clifford Guzman

GVB MANAGEMENT & STAFF PRESENT:

Dara Roberto	Antonio Muna Jr.	Rose Cunliffe
Lisa Linek	Nicolas Yasuhiro	Nathan Denight
Nadine LeonGuerrero	June Sugawara	Telo Taitague
Gina Kono	Josh Tyquiengco	Kraig Camacho
Ana Cid	Brian Borja	Regina Nedlic
Pilar Laguana	Haven Torres	Mark Manglona
Colleen Cabedo	Doris Ada	Dee Hernandez
Nakisha Onedera	Hiroshi Kaneko	

GUESTS:

Bernice Rivera - Office of Senator Tina Muna Barnes
 Alan Cepeda - Office of Senator Tina Muna Barnes
 Mary Therese Edgale

I. CALL TO ORDER

Chairman Baldyga called the meeting of the board to order at 4:16pm.

II. MINUTES OF THE PREVIOUS MEETING

Exhibit A

Chairman Baldyga made a motion to approve the minutes of the previous Board of Directors meeting dated July 9, 2015. **Motion Unanimously Approved. (Subject to minor revisions)**

III. CHAIRMAN'S REPORT

At the Boards request Chairman Baldyga, GM Denight and Director Jackson met with the Director of the Department of Revenue & Taxation for clarification regarding the (2) Auditor positions for GVB.

- o Cost: \$89,000 for (2) positions
- o They would only focus on tourism related issues
- o They would provide quarterly results reports

Chairman Baldyga, GM Denight and Director Morinaga held a meeting regarding the bus shelters. Chairman Baldyga reported the number of cutouts would be reduced in places where they would have to relocate utilities. He added the architects are in the process of finishing the selection of materials with consideration to longevity, anti-graffiti, ease of maintenance, obtaining replacement parts, etc.

Chairman Baldyga reported meeting with the Lieutenant Governor and DPR regarding additional equipment and staff (for DPR). It was suggested they utilize the resources of GVB's VSO program. They were supportive of the idea and would head in that direction moving forward.

Chairman Baldyga noted the HERO Awards were well attended. He thanked GHRA for sponsoring the event.

IV. GENERAL MANAGER'S REPORT

V. TREASURER'S REPORT

Exhibit B

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

FY 2014 (07/22/2014)		Balance	FY 2015 (07/22/2015)		Balance
BANK OF GUAM		\$5,054,192.73	BANK OF GUAM		10,510,700.84
FIRST HAWAIIAN BANK - Membership		\$60,091.00	FIRST HAWAIIAN BANK - Membership		\$75,088.35
REGONA BANK		\$111,002.44	REGONA BANK		\$212,038.43
BOG - TAF ACCOUNT		\$1,123,430.04	BOG - TAF ACCOUNT		\$1,707,306.93
BOG - RAINY DAY FUND		\$1,026,054.03	BOG - RAINY DAY FUND - NOTE 1		\$2,052,348.01
BOG - FESTPAC Trust Account		\$1,501,339.00	BOG - FESTPAC Trust Account		\$2,051,312.50
MORGAN STANLEY - CD **		\$2,268,930.00	MORGAN STANLEY - CD ** - NOTE 2		\$2,013,643.00
BOG - 2/12 Memorial Fund		\$593.00			
TOTAL CASH IN BANKS AS OF 06/23/14		\$12,078,551.41	TOTAL CASH IN BANKS AS OF 07/01/2015		\$15,854,408.72
*Morgan Stanley CD Market Value as of 05/31/15 (value if withdrawn prior to maturity - Maturity Date October 2015)			**Morgan Stanley CD Market Value as of 07/01/2015		
FY 2014 BUDGET P.L. 32-068		\$ 18,262,134.00	FY 2015 BUDGET P.L. 32-181		\$ 23,847,898.00
OPERATIONS	TAF Special Projects		Operations	\$ 20,915,000.00	
310,407,134.00	\$2,000,000.00		Destination Development	\$ 5,085,000.00	
PASS THRU APPROPRIATIONS - \$775,000.00			Capital Improvement Projects	\$ 1,412,898.00	
			Pass-thru Appropriations	\$ 1,235,000.00	
OPERATIONS	TAF Special Projects	Pass-thru	Operations	Destination	Cap
11/14/14 \$1,201,315.00	\$ 350,000.00	\$ 58,128.00	11/14/2014	\$ 3,274,437.00	\$ 252,562.00
11/15/14 \$ 1,181,515.00	\$ 150,000.00	\$ 28,525.00	12/17/2014	\$ 1,020,000.00	\$ 100,000.00
12/09/14 \$ 10	\$ 0	\$ 7,500.00	12/11/2014	\$ 0	\$ 0
12/12/14 \$5,111,015.00	\$ 150,000.00	\$ 65,714.00	1/1/2015	\$ 0	\$ 115,719.00
12/24/14 \$ 0	\$ 0	\$ 3,750.00	2/20/2015	\$ 4,014,117.00	\$ 230,542.00
02/10/15 \$1,071,215.00	\$ 150,000.00	\$ 14,750.00	4/02/2015	\$ 3,624,772.00	\$ 220,543.00
03/17/15 \$ 0	\$ 0	\$ 2,800.00	07/22/2015	\$ 850,000.00	\$ 0
05/13/15 \$ 596,300.00	\$ 150,000.00	\$ 21,900.00	7/10/2015	\$ 200,000.00	\$ 0
05/17/15 \$1,910,910.00	\$ 150,000.00	\$ 26,000.00	7/11/2015	\$ 1,020,000.00	\$ 21,300.00
05/17/15 \$1,270,532.00	\$ 250,000.00	\$ 40,250.00		\$ 31,653,036.00	\$ 777,042.00
05/01/15 \$ 600,075.00	\$ 150,000.00	\$ 3,675.00			
06/19/15 \$3,111,525.00	\$ 150,000.00	\$ 28,875.00			
\$9,314,207.00	\$ 1,500,000.00	\$ 291,250.00			
Total FY 2014 Allotment Received to Date		\$18,228,847.58	Total FY 2015 Allotment Received to Date		\$15,248,815.00
ACCOUNTS RECEIVABLE FY 2014		\$ 432,286.42	Accounts Receivable FY 2015		\$ 6,092,241.00
FY 2014 ACCOUNTS PAYABLE as of 07/22/14		Amount	FY 2015 ACCOUNTS PAYABLE as of 7/22/2015		Amount
Accrued Invoices June 2014		\$1,043,110.51	Accrued Invoices APR-JUN 2015		\$145,185.18
Japan Miscellaneous Invoices		\$93,842.77	Japan Miscellaneous Invoices		\$57,978.70
Guam Miscellaneous Invoices		\$734,040.16	Guam Miscellaneous Invoices		\$291,036.75
FY 2011/2012/2013 Pass-thru appropriations		\$292,842.24	Encumbered Contracts (not yet incurred)		\$6,600,400.78
FY 2014 Pass-thru appropriations		\$3,750.00	Encumbered Purchase Orders (not yet incurred)		\$75,862.01
Encumbered Contracts (not yet incurred)		\$2,378,108.43	FESTPAC Trust Account		\$2,696,313.90
Encumbered Purchase Orders (not yet incurred)		\$179,489.92			
FESTPAC Trust Account		\$1,501,339.00			
Total Payables to Date		\$6,230,488.73	Total Payables to Date		\$10,006,764.33

NOTE 1
\$ 2,052,302.01 Rainy Day Fund
(\$1,000,000) Board approved allotment to Japan market for advertising
\$ 1,052,302.01

NOTE 2
\$2,513,040.07 Morgan Stanley CD
(\$200,450.44) Board approved \$1,034,000 on 3/13/14 for China Airline Incentive Program
\$1,000,013.23 Board approved \$1,028,500 on 5/22/14 for China market advertising
\$1,247,427.39

C.R.V.T.D

VI. REPORT OF THE BOARD COMMITTEES

A. EXECUTIVE COMMITTEE

B. NORTH AMERICA & PACIFIC MARKETS

Director Arriola said the next NAP meeting is August 5th at 2pm. The PATA quarterly meeting is rescheduled to October.

Chairman Baldyga noted the importance and emphasis placed on Festpac and PATA 2016. Director Arriola said her committee is focused on pushing both events and providing whatever support may be needed.

GM Denight added they attended the Philippine travel madness show. The agents they met with are pushing group business out of the Philippines on both the professional and sports side. GM Denight also reported a successful meeting with Cebu Pacific.

C. RESEARCH

D. RUSSIA & NEW MARKETS

Director Jackson said they received a large group over the weekend, so there's still some interest. But with the currency at 56 rubles, we are still seeing dramatic fluctuation up and down. He added they would be going back in August for a road show.

E. SPORTS & EVENTS

Director Sgro reported they just finished the BBQ Block Party, Visit Guam Expo and the Liberation Parade. All events were well attended and the team did a great job.

GM Denight noted they just launched the online registration for the Ko'ko race to be held November 8th. He said they are proud to announce the 10th Anniversary of the race, which is expected to attract over 800 off-island participants.

GM Denight reported they completed the Public Hearing on proposed rules and regulations for the Cultural & Sports Ambassadorship Program. He thanked Senator Barnes and Senator Morrison.

F. VISITOR SAFETY & SATISFACTION

G. ADMINISTRATION & GOV'T RELATIONS

Guam Football Association Sponsorship

Motion to approve \$300,000 from the Morgan Stanley CD for the sponsorship of the Guam Football Association to host two FIFA World Cup qualifying matches on Guam.

Background: It has been 15 years since the Guam's National Football Team competed in a FIFA World Cup qualifying match. In their two recent games against Turkmenistan and India, Matao came out on top, which propelled them to the top of their division and provided millions of dollars in media exposure for the island. Guam will again host two matches and the Guam Football Association has requested support and assistance from GVB. Without this major financial assistance, we may have to pull out of the World Cup Tournament.

Issue: Board Approval Required.

Discussion/Comments:

GM Denight reported the GFA and Guam National Team are in the World Cup Qualifier. They've exhausted their initial funding from FIFA in their first 4 games and are asking GVB for \$300,000 to help them to continue on competing in the World Cup.

Because of their victories against India and Turkmenistan, Guam received global PR on CNN, Bloomberg, all the major news outlets, plus all the specific football outlets.

The presentation was made at the last Board meeting. After much discussion it was decided to revise the motion to include requests made by the Board:

Chairman Baldyga made a motion, seconded by Director Jackson to approve \$300,000 from the Morgan Stanley CD for the sponsorship of the Guam Football Association to host two FIFA World Cup qualifying matches on Guam subject to the Boards recommendation that consideration be given to full or partial reimbursement from any possible sources including existing or upcoming sources of funds relating to travel for sports tourism, and further subject to the Boards request that GFA consider indentifying GVB as its premiere sponsor now and in the future, and work cooperatively with GVB to maximize exposure for Guam and all media relating to the event.

Motion Approved.

Discussion/Comments:

- o With worldwide media coverage expected, Director Shinohara suggested GVB provide GFA with expertise on how to better showcase Guam to the international community.

H. CULTURE & HERITAGE

I. DESTINATION MANGEMENT

Director Hofmann reported continued progress by the committee.

- o Tumon Landscape Maintenance RFP to go out
- o Holiday illumination ongoing
- o Tumon hardscape maintenance for the new fiscal year
- o DPW to begin work on signage law
- o San Vitores lights ongoing
- o Cobblestone repairs ongoing - beginning at the Westin hotel

J. GREATER CHINA

Director Kloppenburg reported the next meeting scheduled for August 7th. They just completed global media events. He noted the importance of ensuring continued service to Shanghai by United Airlines.

K. JAPAN

Director Morinaga welcomed Hiroshi Kaneko from the Japan office.

He noted much needed follow up regarding Festpac information to the travel agents so they could start formulating packages. He suggested a workshop inviting them to Guam so they could put together an intensive sales package.

Director Morinaga said he would like to set up a meeting between the Japan and Korea market seeking feedback regarding the visa waiver issue. They are considering cancelling the visa waiver and replacing it with just ESTA. Director Nakajima added it would greatly shorten the CBP processing time.

Director Morinaga added that GM Denight, Director Hofmann and Marketing Office Nadine Leon Guerrero would be traveling to our sister city Kashiwa to celebrate their summer festival.

GM Denight shared they would be shooting their Toshi-chan TV campaign to promote Guam as close destination.

L. KOREA

Director Jackson reported that Korea is up 30% and moving in the right direction He shared that they would be going to Busan for the international travel show in mid September.

M. MEMBERSHIP & COMMUNITY OUTREACH

VII. OLD BUSINESS

VIII. NEW BUSINESS

DGM Taitague presented the MOU between the Department of Revenue & Taxation and GVB to help fund (2) tax agents to assist GVB in tourism related tax issues.

The Board requested that Management modify the MOU to include the following:

- o It's made explicitly clear the Auditors are to be used strictly for tourism
- o Penalties issued for non-compliance
- o Auditors to report to GVB on a quarterly basis
- o Management to provide detailed explanation of GVB's expectations

Chairman Baldyga made a motion, seconded by Director Jackson to accept the MOU between the Guam Visitors Bureau and the Department of Revenue & Taxation whereby GVB will provide the Department of Revenue & Taxation EIGHTY SIX THOUSAND FIVE HUNDRED AND FORTY TWO DOLLARS (USD \$86,542) for the hiring of (2) full-time Auditors subject to the condition that the staff are dedicated solely to tourism, and that funding is a one-year, one-time occurrence. Funding source to be the Morgan Stanley Certificate of Deposit.

Motion Approved.

Director Jackson requested the Board provide testimony regarding Bill 127-33 - An act to *add* a new §58106.1 to 12 GCA; Relative to establishing Qualifying Certificate Certification requirements to ensure that no vendor payables or classified employee compensation are over thirty (30) days past due.

IX. EXECUTIVE SESSION

X. ANNOUNCEMENT

Upcoming Board Meetings:


- o Thursday, August 13, 2015 at 4:00pm, GVB Main Conference Room.
- o Thursday, August 27, 2015 at 4:00pm, GVB Main Conference Room.

Announcements:

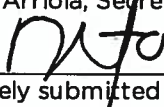
- o Budget Prep Meeting: Wednesday, July 29 at 1:30pm, GVB Main Conference Room
- o Budget Hearing: Thursday, July 30 at 2pm, Legislature

XI. ADJOURNMENT

Chairman Baldyga made a motion, seconded by Director Shinohara, to adjourn the meeting. Meeting adjourned at 5:45p.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 request PATA to schedule a task force in conjunction with the PATA Conference. Schedule by September 1, 2015.
5. Community Outreach to develop a plan for increasing public awareness of GVB's actions and contributions to the community by August 1, 2015
6. 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. Management to look into how GVB can leverage and support the next GFA event from a promotional standpoint
9. Management to follow up with Lt. Carbullido (GPD) on incidence report.
10. "Think-tank" task force meeting to discuss CBP issue
11. Management to set up seminar with Korean Association of Guam regarding Guest House legalities??
12. Management to provide Board with recommendation regarding testimony on Bill 127-33