



### BOARD OF DIRECTORS REGULAR MEETING

Thursday, September 10, 2015 – 4:00 p.m.  
Guam Visitors Bureau- Main Conference Room

#### BOARD of DIRECTORS PRESENT:

Chairman Mark Baldyga	Director Samuel Shinohara
Director Katarina Sgro	Director Milton Morinaga
Director Norio Nakajima	Director Clifford Guzman
Director Shelly Calvo	Vice Chairman Bruce Kloppenburg
Director Hong Soon Im	Director Eduardo Calvo

#### BOARD of DIRECTORS ABSENT:

Director Theresa Arriola – Off-island  
Director Robert Hofmann -

#### BOARD OF DIRECTORS TELEPHONICALLY:

Director Bart Jackson

#### GVB MANAGEMENT & STAFF PRESENT:

Acting General Manager Ana Cid	Haven Torres	Meriza Peredo
Mark Manglona	Joshua Tyquinengco	Antonio Muna Jr.
Regina Nedlic	June Sugawara	Brian Borja
Doris Ada	Nadine Leon Guerrero	Russell Ocampo

#### GVB MANAGEMENT & STAFF TELEPHONICALLY:

Pilar Laguana

#### GUESTS:

Bernice Rivera – Senator Tina Muna Barnes Office

### I. CALL TO ORDER

Chairman Baldyga called the meeting of the board to order at 4:04 p.m.

### II. MINUTES OF THE PREVIOUS MEETING

Exhibit A

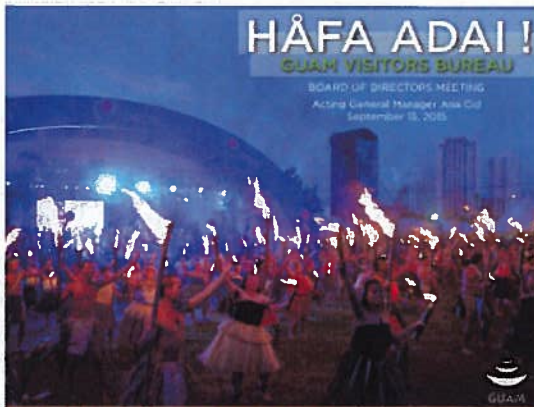
Chairman Baldyga made a motion to approve the minutes of the previous Board of Directors meeting dated August 27, 2015. **Motion Unanimously Approved. (Subject to minor revisions)**

### III. CHAIRMAN'S REPORT

**FY16 GVB Budget**

- o Chairman Baldyga reported a productive meeting with Senator Tina Muna Barnes regarding GVB's FY16 budget.
- o Chairman Baldyga recommended the Board hold a working session for budget discussion.

**IV. GENERAL MANAGER'S REPORT**



**PRELIMINARY Visitor Arrivals**  
CYTD 2015 (January 2015 – August 2015)  
Total: 921,530 (2.3%)

% Market Mix	Origin	Pax	% to LY
55.9%	Japan	515,579	-5.8%
28.8%	Korea	265,530	31.7%
5.2%	US/Hawaii	47,701	7.1%
3.3%	Taiwan	30,116	-17.7%
1.8%	China	15,621	64.8%
0.2%	Russia	2,152	-85.5%

**PRELIMINARY Visitor Arrivals**  
AUGUST 2015  
Total: 135,498 (1.7%)

% Market Mix	Origin	Pax	% to LY
54.4%	Japan	73,692	-15.9%
31.5%	Korea	42,733	56.8%
4.6%	US/Hawaii	6,233	4.9%
2.9%	Taiwan	3,913	-25.2%
2.4%	China	3,302	177.7%
0.1%	Russia	174	-82.6%

**PRELIMINARY Visitor Arrivals**  
FYTD 2015 (October 2014 – August 2015)  
Total: 1,251,474 (1.9%)

% Market Mix	Origin	Pax	% to LY
56.8%	Japan	710,631	-6.2%
27.8%	Korea	348,217	29.1%
5.1%	US/Hawaii	64,127	9.9%
3.1%	Taiwan	39,252	-17.4%
1.7%	China	21,157	64.1%
0.3%	Russia	3,457	-80.9%

**PRELIMINARY MTD Visitor Arrivals**  
September 1 - 8, 2015  
Total: 32,987 (16.9%)

% Market Mix	Origin	Pax	% to LY
56.2%	Japan	18,548	-0.1%
32.3%	Korea	10,667	71.0%
3.2%	US/Hawaii	1,054	-8.5%
2.3%	Taiwan	751	-11.2%
1.9%	China	631	143.6%
0.1%	Russia	29	-14.7%



V. TREASURER'S REPORT

Exhibit B

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

FY 2014 (09/8/2014)		Balance	FY 2015 (09/9/2015)		Balance	
BANK OF GUAM		\$7,420,572.80	BANK OF GUAM		\$7,844,460.73	
FIRST HAWAIIAN BANK - Membership		\$46,738.19	FIRST HAWAIIAN BANK - Membership		\$75,310.19	
RESONA BANK		\$195,653.15	RESONA BANK		\$108,595.54	
BOG - TAF ACCOUNT		\$1,520,853.31	BOG - TAF ACCOUNT		\$1,994,003.73	
BOG - RAINY DAY FUND		\$1,857,228.27	BOG - RAINY DAY FUND - NOTE 1		\$2,055,283.52	
BOG - FESTPAC Trust Account		\$1,531,648.68	BOG - FESTPAC Trust Account		\$2,738,365.78	
MORGAN STANLEY - CD **		\$2,510,844.95	MORGAN STANLEY - CD ** - NOTE 2		\$2,514,885.84	
BOG - 2/12 Memorial Fund		\$24,687.71				
<b>TOTAL CASH IN BANKS AS OF 09/08/14</b>		<b>\$18,108,126.06</b>	<b>TOTAL CASH IN BANKS AS OF 09/9/2015</b>		<b>\$17,171,705.53</b>	
**Morgan Stanley CD Market value as of 07/31/2014			**Morgan Stanley CD Market value as of 7/31/2015			
FY 2014 BUDGET P.L. 32-068		\$ 18,282,134.00	FY 2015 BUDGET P.L. 32-181		\$ 23,847,698.00	
OPERATIONS TAF Special Projects			Operations		\$ 20,115,000.00	
\$15,487,134.00 \$2,000,000.00			Destination Development		\$ 1,085,000.00	
PASS THRU APPROPRIATIONS - \$175,000.00			Capital Improvement Projects		\$ 1,412,698.00	
			Pass-thru Appropriations		\$ 1,235,000.00	
OPERATIONS	TAF Special Projects	Pass-thru	Operations	Destination	CP	Pass-thru
11/04/13	\$1,161,535.00	\$ 150,000.00	\$ -	\$ -	\$ -	\$ 150,000.00
11/13/13	\$1,161,535.00	\$ 150,000.00	\$ 3,274,437.00	\$ 230,562.00	\$ 1,100,792.00	\$ 127,750.00
11/29/13	\$ -	\$ -	\$ 1,000,000.00	\$ -	\$ 100,000.00	\$ 5,900.00
12/11/13	\$1,161,535.00	\$ 150,000.00	\$ -	\$ -	\$ -	\$ 38,975.00
12/24/13	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,250.00
01/10/14	\$1,032,888.00	\$ 150,000.00	\$ 4,014,437.00	\$ 230,562.00	\$ -	\$ 197,975.00
01/21/14	\$ -	\$ -	\$ 3,884,437.00	\$ 230,562.00	\$ -	\$ 132,125.00
02/11/14	\$ 386,100.00	\$ 150,000.00	\$ 898,000.00	\$ -	\$ -	\$ -
03/17/14	\$1,936,970.00	\$ 150,000.00	\$ 200,000.00	\$ -	\$ -	\$ -
04/17/14	\$1,290,535.00	\$ 150,000.00	\$ 1,508,625.00	\$ 81,376.00	\$ -	\$ -
05/09/14	\$ 649,617.51	\$ 150,000.00	\$ 2,974,439.00	\$ 230,562.00	\$ -	\$ 127,625.00
06/19/14	\$1,161,535.00	\$ 150,000.00	\$ 17,506,375.00	\$ 1,003,624.00	\$ 1,517,042.00	\$ 751,250.00
08/04/14	\$1,161,535.00	\$ 150,000.00				
08/12/14	\$1,161,535.00	\$ 150,000.00				
08/26/14	\$1,020,000.00	\$ 150,000.00				
	\$13,914,367.55	\$1,800,000.00				\$643,750.00
Total FY 2014 Allotment Received to Date:		\$15,758,117.55	Total FY 2015 Allotment Received to Date:		\$20,578,201.00	
Accounts Receivable FY 2014		\$2,504,016.45	Accounts Receivable FY 2015		\$3,269,405.00	
FY 2014 ACCOUNTS PAYABLE as of 07/22/14		Amount	FY 2015 ACCOUNTS PAYABLE as of 9/9/2015		Amount	
Asatsu Invoices June 2014		\$1,568,645.16	Asatsu Invoices APR-JUN 2015		\$593,788.17	
Japan Miscellaneous Invoices		\$5,999.82	Japan Miscellaneous Invoices		\$12,853.38	
Guam Miscellaneous Invoices		\$925,780.81	Guam Miscellaneous Invoices		\$438,444.58	
FY 2011/2012/2013 Pass-thru appropriations		\$292,842.24	Encumbered Contracts (not yet incurred)		\$3,680,406.78	
FY 2014 Pass-thru appropriations		\$3,750.00	Encumbered Purchase Orders (not yet incurred)		\$187,979.23	
Encumbered Contracts (not yet incurred)		\$2,376,108.43	FESTPAC Trust Account		\$2,738,365.78	
Encumbered Purchase Orders (not yet incurred)		\$188,644.84	Total Payables to Date		\$7,632,835.00	
FESTPAC Trust Account		\$1,531,648.68				
Total Payables to Date		\$8,893,387.98				

VI. REPORT OF THE BOARD COMMITTEES

A. EXECUTIVE COMMITTEE

B. SPORTS & EVENTS

Chairman Baldyga reported to the Board his phone call with Andrew Wood from the Asian PGA. Mr. Wood is scheduled to present at the next Board meeting a sponsorship proposal for Guam to host a PGA event.

C. VISITOR SAFETY & SATISFACTION

Director Im said they are still working on the live entertainment project at the Airport.



## **D. ADMINISTRATION & GOV'T RELATIONS**

### **San Vitores Flooding Mitigation Resolution**

Director Kloppenburg made a motion, seconded by Director Guzman to approve GVB Board Resolution 2015-002 relative to the San Vitores flooding mitigation project as delineated in Guam Public Law 30-228 and funded by part of the proceeds of the 2011 Hotel Occupancy Tax (HOT) Bonds.

**Motion tabled.**

**Background:** The Guam Economic Development Authority, the agency tasked with carrying out the projects mandated by P.L. 30-228 and funded by the 2011 Hotel Occupancy Tax (HOT) Bonds, has requested GVB's support through a Board Resolution for the San Vitores Flooding Mitigation Project. GEDA seeks to advance the project through a gravity bay outfall to be located near the Frank E. Smith.

**Issue: Board Approval Required**

#### **Discussion/Comments:**

The motion was tabled pending an updated Flood Mitigation presentation to the Board from GEDA.

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### **TOURISM DESTINATION MARKETING REPRESENTATION SERVICES IN TAIWAN**

Director Kloppenburg made a motion, seconded by Director E. Calvo to approve authorization of the General Manager as Chief Procurement Officer to enter into negotiations with the highest rated and most qualified Offeror for GVB RFP 2015-008: Tourism Destination Marketing Representation Services in Taiwan, and if successful, enter into contract.

**Motion approved.**

**Background:** The Guam Visitors Bureau (GVB) requested proposals (RFP) for professional and experienced companies to provide GVB with Tourism Destination Marketing Representation Services in Taiwan. The agency shall act as the GVB tourism destination marketing representative and shall perform general duties as required including, but not limited to, representation in targeted cities where Guam is being promoted to outbound travelers who fit the demographics Guam is seeking to attract in Taiwan.

**Issue: Board approval required.**

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### **SOCIAL MEDIA MONITORING TECHNOLOGY**

Director Kloppenburg made a motion, seconded by Director Shinohara to approve authorization of the General Manager as Chief Procurement Officer to enter into negotiations with the highest rated and most qualified Offeror for GVB RFP 2015-010: Social Media Monitoring Technology, and if successful, enter into contract.

**Motion approved.**

**Background:** The Guam Visitors Bureau (GVB) requested proposals (RFP) for a qualified professional and established firm to develop and combine technology, processes and trained professionals to deliver accurate and relevant data mining and analysis to aid in listening to digital conversations across countries in multiple languages. The ability to monitor online conversations from social media sites in the following countries: Japan, Korea, Taiwan, Hong Kong, Mainland China, Philippines, Russia and the U.S.A. in the following native languages: Japanese, Korean, Traditional Chinese, Simplified Chinese, Russian and English.

Issue: Board approval required.

**E. CULTURE & HERITAGE**

**F. DESTINATION MANAGEMENT**

Director Guzman reported they are working with the IBTF on an anti-graffiti campaign.

He also reported they are actively working on the TDIP and look forward to Chairman Baldyga attending their next meeting.

**G. GREATER CHINA**

Exhibit C

Committee minutes dated September 4, 2015

**Taiwan - Taipei International Travel Fair (ITF) and Trade Workshop**

Director Kloppenburg made a motion, seconded by Director E. Calvo to approve travel for Governor or Lieutenant Governor, Governor Staff or Lieutenant Governor Staff, GVB General Manager, GVB Marketing Manager, two (2) GVB Marketing Officers, one (1) CHO, one (1) Miss Guam, two (2) musicians and four (4) cultural dancers, to attend the Destination Guam Travel Trade Workshop on November 5, 2015 and Taipei International Travel Fair from November 6-9, 2015. Cost is approximately \$15,238.15 from TA-TTC031 and \$24,608.00 from DM-CPO003 pending approved funding from FY2016 Budget.

Motion approved.

**Marketing Department**

Airfare:	November 4-8, 2015: \$1,200 x 3 pax	\$3,600.00
	November 4-7, 2015: \$1,500 x 3 pax	\$4,500.00
	Sub-Total:	\$8,100.00
Per Diem:	Governor or Lieutenant Governor	
	Taipei Lodging: \$169 x 3 Nights + 30%	\$659.10
	Taipei M&IE: \$102 x 3 Days + 30%	\$397.80
	Governor Staff or Lieutenant Governor Staff	
	Taipei Lodging: \$169 x 3 Nights	\$507.00
	Taipei M&IE: \$102 x 3 Days	\$306.00
	GVB General Manager	
	Taipei Lodging: \$169 x 3 Nights + 25%	\$633.75
	Taipei M&IE: \$102 x 3 Days +25%	\$382.50
	GVB Marketing Manager & (2) Marketing Officers	
	Taipei Lodging - \$169 x 4 Nights x 3 pax	\$2,028.00
	Taipei M&IE - \$102 x 4 Days x 3 pax	\$1,224.00
	Sub-Total:	\$6,138.15
Miscellaneous:	(Excess baggage, communications, meeting expenses, etc.)	\$1,000.00
	<b>Total</b>	<b>\$15,238.15</b>

Cultural Heritage Department

Airfare:	November 4-9, 2015: \$1,200 x 8 pax	\$9,600.00
Per Diem:	Taipei Lodging: \$169 x 6 nights x 8 pax	\$8,112.00
	Taipei M&IE: \$102 x 6 days x 8 pax	\$4,896.00
Prof Fee:	Chamorro Musicians: \$100 x 4 days x 2 pax	\$800.00
	Chamorro Dancers: \$50 x 4 days x 4 pax	\$800.00
	Miss Guam: \$100 x 4 days x 1 pax	\$400.00
<b>Total</b>		<b>\$24,608.00</b>

**Background:** Taipei's International Travel Fair (ITF) is one of the most popular travel fairs in the Asia Pacific Region combining an exhibition and sales event in Taiwan. The 2014 ITF hosted 950 exhibitors, 1,450 booths, and groups from more than 60 countries and regions. Last year's four day event attracted over 335,000 visitors and had exposure to more than 4,000 domestic and international media reporters.

In an effort to promote the Shop Guam Festival 2016, FESTPAC 2016, and other signature Guam events, GVB will be hosting a Destination Guam Travel Trade Workshop on Thursday, November 5, 2015 to familiarize current and new partners on Guam products and promotions scheduled for 2016. In addition, the Bureau will be inviting its members to participate in both ITF as well as the workshop. A portion of the trade workshop will be dedicated to individual talks about member's products and/or services to participating agents and will provide a great opportunity for partners to share information about their company.

Recently, Taiwan visitor arrivals have been suffering due to fierce competition in the market with better airfare and convenient flight schedules to other regional destinations. It is more affordable to visit locations such as Japan and other South East Asian destinations when compared to Guam. In August, China Airlines announced four new daytime flights starting October 25, 2015. With this announcement, this is the most opportune time to promote Guam to the Taiwanese visitor capitalizing on the four daytime flights available through China Airlines.

Key participation from Guam's tourism leaders is crucial to this overseas promotion. GVB has worked closely with China Airlines for many years requesting to provide daytime flights. Now that a motion has been made in securing these flights, GVB's sales and marketing programs are needed to make this convenient flight schedule a success. Participation at ITF and the hosting of a Travel Trade Workshop will demonstrate GVB's continued commitment to the Taiwan market and showcase the importance of the Taiwanese travelers to Guam's tourism market mix. Guam's promotional presence will provide trade education and consumer awareness leading to increased pax arrivals in the future.

Issue: Board approval needed for all travel.

**H. JAPAN**

**Guam Trip for MOTION**

Director Morinaga made a motion, seconded by Director Shinohara to approve travel for two Japan staff to attend a seminar by JTB Soken, Mr. Kurosu from October 01 to October 03, 2015. (Estimated cost \$2,707.00; Account#SMD045)

Motion approved.

Travel Expenses:	
Airfare: \$ 700.00 x 2pax	\$1400.00
Hotel: \$175 x 2pax x 2nights	\$700.00
Car Rental: \$65.00 x 3 days	\$195.00
R/T Transportation to airport:	\$162.00
<u>Guam Per Diem: \$62.50 x 2 nights</u>	<u>\$250.00</u>
<b>Total:</b>	<b>\$2,707.00</b>

**Background:** The Japan Market seminar will be held in Guam by JTB Soken on October 02, 2015. The seminar will focus on Japanese outbound market in conjunction with the destination of Guam. The staff will be there to assist Mr. Kurosu with the seminar for GVB members and stakeholders.

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

**I. KOREA**

Director Jackson said they just completed a roadshow in Daegu where they made a pitch to the Daegu market - the 3<sup>rd</sup> largest market in Korea. They hope to have direct flights to Daegu in the very near future.

**J. MEMBERSHIP & COMMUNITY OUTREACH**

Director Guzman noted the next Membership Meeting scheduled for September 17 would focus on the budget and also the Korean Market.

With the help of social media, Community Outreach is moving along thanks to the staff at GVB. They are doing a great job showcasing how tourism benefits Guam.

**K. NORTH AMERICA & PACIFIC MARKETS**

Exhibit D

Committee minutes dated September 2, 2015

**IMEX America 2015**

Director S. Calvo made a motion, seconded by Director Guzman to approve travel for the Marketing Manager and Marketing staff to attend the IMEX America at the Sands Expo in Las Vegas, Nevada from October 13-15, 2015. Cost is approximately \$6,604.00 from account US-SMD023.

Chairman Baldyga made a motion, seconded by Director Kloppenburg to withdraw the motion. **Motion withdrawn.**

Airfare: \$1,900 x 2 pax \$3,800.00

Per Diem Lodging + M&IE: \$167.00 x 6 days x 2 pax \$2,004.00

Misc. Expenses \$800.00

Total \$6,604.00



**Background:** With the new Dusit Thani Guam that opened their doors this past summer, Guam now has the facilities to hold MICE groups with Dusit Thani's convention hall that holds up to 1,000pax. The Guam Visitors Bureau (GVB) plans to attend the IMEX America that will be held at the Sands Expo in Las Vegas, Nevada from October 13-15, 2015. This is an opportune time to attract more MICE participants from the U.S. and source markets. This will be the first time GVB will be attending IMEX America as an exhibitor. IMEX is a worldwide exhibition for incentive travel, meetings and events that is committed to providing outstanding business opportunities for exhibitors and buyers. IMEX has two exhibitions a year, in Frankfurt, Germany and in America.

IMEX America is Americas largest MICE Expo with over 10,300 participants, 2,900 buyers from 54 countries in 2014; an increase of 8% over 2013. GVB will have the opportunity to meet qualified buyers from North America and around the world within the 3-day event. This year, GVB expects to have over 100 pre-scheduled appointments with MICE planners from North America, China, Japan, Korea, Philippines, Russia and other source markets. In addition, GVB will also have an opportunity to meet over 100 domestic and international media.

**Issue:** Board approval needed.

*Discussion/Comments:*

Chairman Baldyga requested marketing return to the Board with a specific and definitive list of whom they would be meeting with.

**L. RESEARCH**

**M. RUSSIA & NEWMARKETS**

Director Jackson said as the ruble continues to weaken, he would like to suggest approaching new carriers to discuss Guam as a stopover.

**VII. OLD BUSINESS**

**VIII. NEW BUSINESS**

The legislative oversight hearing on the budget was postponed until a later date. Both Chairman Baldyga and GM Denight were off-island at the time.

**IX. EXECUTIVE SESSION**

**X. ANNOUNCEMENT**

**Upcoming Board Meetings:**

- o Thursday, September 24, 2015 at 4:00pm, GVB Main Conference Room.
- o Thursday, October 8, 2015 at 4:00pm, GVB Main Conference Room.

**Announcements:**





XI. ADJOURNMENT

Chairman Baldyga made a motion, seconded by Director Guzman, to adjourn the meeting. Meeting adjourned at 4:47 p.m. **Motion Unanimously Approved.**

*Theresa C. Arrigla*

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

*Dara Roberto*

\_\_\_\_\_  
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 request PATA to schedule a task force in conjunction with the PATA Conference. Schedule by September 1, 2015.
4. ~~Community Outreach to develop a plan for increasing public awareness of GVB's actions and contributions to the community by August 1, 2015~~
5. 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
13. Due at end of year - Management to provide an end of year Sports & Events recap:
  - o Money spent
  - o Arrivals
  - o Return on Investment
14. Management to meet with Director Shinohara and return to the Board with the following:
  - o True working capital needs of the Bureau
  - o Excess unappropriated funds
  - o How to best utilize those funds