



**BOARD OF DIRECTORS REGULAR MEETING**

Thursday, March 24, 2016 – 3:00 p.m.

Guam Visitors Bureau- Main Conference Room

**BOARD of DIRECTORS PRESENT:**

Chairman Mark Baldyga  
Director Samuel Shinohara  
Director Hong Soon Im  
Director Milton Morinaga  
Director Theresa Arriola

Director Bruce Kloppenburg  
Director Eduardo “Champ” Calvo  
Director Norio Nakajima  
Director Clifford Guzman

**BOARD of DIRECTORS ABSENT:**

Director Shelly Calvo  
Director Bart Jackson  
Director Katarina Sgro  
Director Robert Hofmann

**GVB MANAGEMENT & STAFF PRESENT:**

Telo Taitague  
Antonio Muna Jr.  
Nadine Leon Guerrero  
Derek Camacho  
Regina Nedlic  
Haven Torres  
Colleen Cabedo

Jon Nathan Denight  
June Sugawara  
Nicolas Yasuhiro  
Brian Borja  
Nakisha Garrido  
Lisa Linek  
Joshua Tyquiengco

Dara Roberto  
Dee Hernandez  
Russell Ocampo  
Pilar Laguana  
Elaine Pangelinan  
Ana Cid  
Doris Ada

**GUESTS:**

Mr. Andrew Wood – IMG Group  
Mr. Tom Fisher – Fisher & Associates

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**I. CALL TO ORDER**

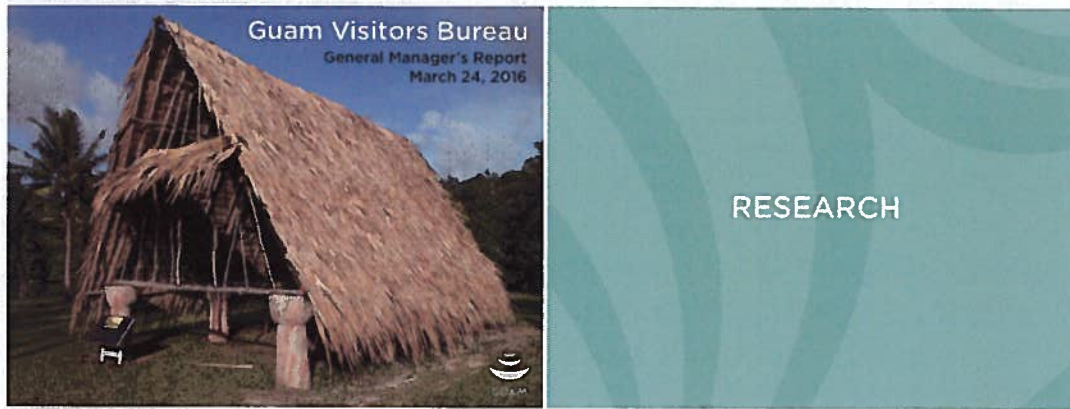
Chairman Baldyga called the meeting of the board to order at 3:10pm.

**II. MINUTES OF THE PREVIOUS MEETING**

**III. CHAIRMAN'S REPORT**

- Chairman Baldyga reported that Mr. Andrew Wood of IMG would be giving a presentation to the Board at the end of the meeting. *\*see attached presentation*
- He reported GVB Attorney Tom Fisher would be discussing 2 issues today: (1) FestPac finance distribution of funds and (2) the Civil Service Commission issue.

#### IV. GENERAL MANAGER'S REPORT

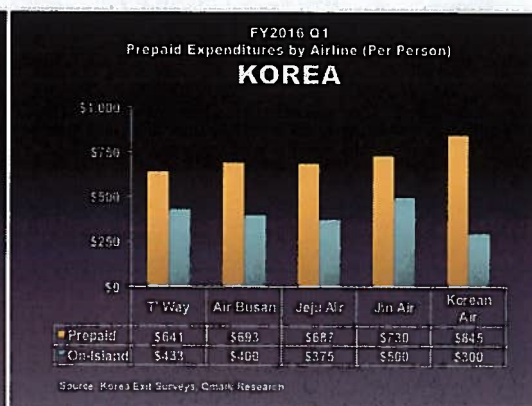
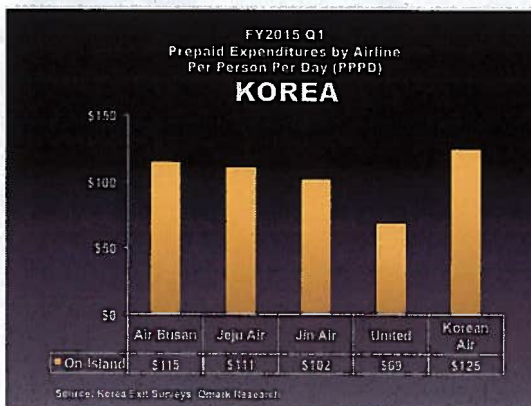


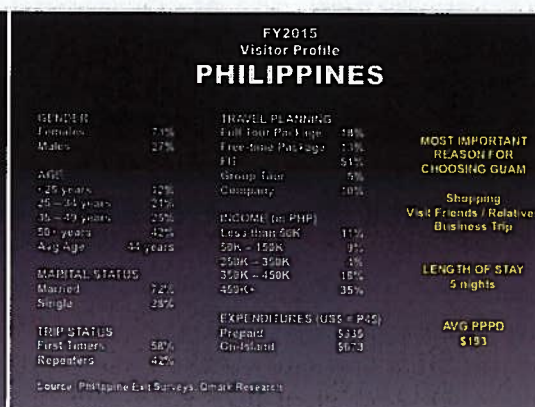
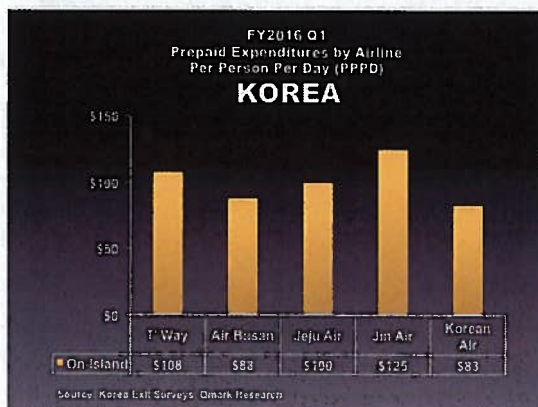
**PRELIMINARY MTD Visitor Arrivals**  
March 1 - 23, 2016  
Total: 98,568 (0.6%)

% Market Mix	Origin	Pax	% to LY
61.3%	Japan	60,400	-8.3%
25.7%	Korea	25,319	22.8%
4.2%	US/Hawaii	4,180	-2.0%
2.6%	Taiwan	2,547	6.5%
1.0%	China	996	-13.8%
1.5%	Philippines	1,448	142.1%

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## MARKETING

### Taiwan Marketing News

#### Taiwan Sales Mission | March 13-18, 2016

##### Spring Toast

- GVB hosted a Spring Toast event to thank the industry for their continued partnership and support
- Provided the most updated Guam information and promoting Visit Guam 2016 events
- Announced GVB incentive programs and marketing support for the Taiwan market
- Engaged with important trade partners and media



### Taiwan Marketing News

#### Taiwan Sales Mission | March 13-18, 2016

##### American Institute in Taiwan (AIT)

- In cooperation with AIT - Kaohsiung, GVB hosted a Guam Product Presentation to key travel agents and media.
- Provided the most updated Guam information and promoting Visit Guam 2016 events
- Announced China Air's new flight schedule opening
- Engaged with important trade partners and media



### Taiwan Marketing News

#### Airline Meetings | China Air & Eva Air

- Met with key officials to thank China Air for providing daytime flight services that boosted arrivals to Guam
- CI daytime flights to continue into summer and flight schedules will adjust by 1 hour to accommodate shuttle flights from southern Taiwan to meet Guam connection
- GVB met with key EVA Air officials to thank them for their support and consider adjusting flight schedules and increasing charters
- GVB shared significant developments and Visit Guam 2016 events
- Discussed ongoing GVB-EVA joint promotions for spring break





## DESTINATION

### Upcoming events

- Ribbon cutting for T Galleria & United Tumon Central Air Terminal on March 30<sup>th</sup> at 10:30 a.m. at T Galleria
- Governor's State of the Island Address at the Guam Museum on March 31<sup>st</sup> at 6:30 p.m.
- Guam International Marathon on April 10<sup>th</sup> at Governor Joseph Flores Memorial Beach in front of GVB. First race to start at 3 a.m.



### Upcoming events



### Other

- Bus Shelters
- CIP Bill Update
- Letter of Support for PI/Guam

### FestPac Update



**12<sup>TH</sup> FESTIVAL OF PACIFIC ARTS  
GUAM 2016**

*"What we sing, what we dance, what we play – United Voices of the Pacific"*



Si Yu'os Ma'ase!

FestPac Transfer

- At last week's FestPac Organizing Committee, some questions arose about the procurement of FestPac. It was capped by DCA at \$800,000 and the logistics needs for FestPac are above that amount.
- GM Denight reported that with 59 days out, they met with the AG and the OPA to see how we could move forward on FestPac. It was suggested by the OPA and the AG that the money go back to GVB and we would use our existing event management contractor to help procure the logistical needs for the festival.
- GVB provided the OPA and the AG with our contracts and procurement files for review.
- GM Denight said that a motion was crafted to call for the Board to accept the transfer back of the funds.
- GM Denight read the motion: In the event the FestPac Coordinating Committee directs transfer of funds for FestPac from CAHA to GVB and in the event the Attorney General and the OPA approved the use of those funds under an existing GVB Event Management contract; GVB may accept those funds and use them in accordance with FestPac Coordinating Committee direction.
- Director Arriola called for a 5-minute recess.

Chairman Baldyga made a motion to go into recess at 4:04pm.

Motion Approved.

Chairman Baldyga made a motion to reconvene at 4:12pm.

Motion Approved.

- Because of questions and concerns brought up by the Board, it was decided they would table the issue, go into recess at the end of the meeting and reconvene at a later date.

## V. TREASURER'S REPORT

## Attachment A

FY 2015						
	Appropriation	Received to Date		Balance		
Operations	\$ 20,115,000.00	\$ 20,115,000.00	100%	\$ -		0%
Destination Development	\$ 1,085,000.00	\$ 1,085,000.00	100%	\$ -		0%
Capital Improvement Projects	\$ 1,412,696.00	\$ 1,412,696.00	100%	\$ -		0%
FestPac	\$ 2,200,000.00	\$ 2,200,000.00	100%	\$ -		0%
Rainy Day Fund	\$ 200,000.00	\$ 200,000.00	100%	\$ -		0%
Pass-Thru	\$ 835,000.00	\$ 835,000.00	100%	\$ -		0%
Cultural & Sports Ambassador Fund	\$ 200,000.00	\$ 200,000.00	100%	\$ -		0%
<b>TOTAL</b>	<b>\$ 26,047,696.00</b>	<b>\$ 26,047,696.00</b>		<b>\$ -</b>		<b>0%</b>

FY 2016						
	Appropriation	Received to Date		Balance		
Operations	\$ 21,694,191.00	\$ 5,889,691.00	27%	\$ 15,804,500.00		73%
Destination Development	\$ 1,235,000.00	\$ 472,500.00	38%	\$ 762,500.00		62%
Rainy Day Fund	\$ 200,000.00	\$ 100,000.00	50%	\$ 100,000.00		50%
Cultural & Sports Ambassador Fund	\$ 200,000.00	\$ 35,000.00	18%	\$ 165,000.00		83%
Pass-Thru	\$ 750,000.00	\$ 393,750.00	53%	\$ 356,250.00		48%
<b>TOTAL</b>	<b>\$ 24,079,191.00</b>	<b>\$ 6,890,941.00</b>		<b>\$ 17,188,250.00</b>		

**Total Receivables FY 2015/FY 2016** **\$ 17,188,250.00**

**Accounts**

**RESTRICTED**

Bank of Guam - Rainy Day Fund <sup>1</sup>	\$ 2,146,544.53
Bank of Guam - FESTPAC Trust Account	\$ 480,050.00
Cultural & Sports Ambassador Fund	\$ 235,000.00
<b>TOTAL</b>	<b>\$ 2,861,594.53</b>

**UNRESTRICTED**

Bank of Guam - Operations	\$ 6,051,901.01
First Hawaiian Bank - Membership	\$ 71,265.64
Resona	\$ 347,521.62
Bank of Guam - TAF	\$ 1,825,122.74
Morgan Stanley - CD value as of 02/29/2016 <sup>2</sup>	\$ 240,119.62
Raymond James - CD value as of 02/29/2016	\$ 2,276,584.18
<b>TOTAL</b>	<b>\$ 10,812,514.81</b>

**TOTAL as of 3/21/2016** **\$ 13,674,109.34**

**Current Payables**

Asatsu Invoices NOV - JAN	\$ 2,187,986.13
Japan Invoices	\$ 27,190.85
Guam Invoices	\$ 274,283.86
FY 2015/FY 2016 Pass-thru appropriations	\$ 41,250.00
Encumbered Contracts	\$ 4,719,502.77
Encumbered Purchase Orders	\$ 116,925.81
FESTPAC Trust Account	\$ 480,050.00
<b>TOTAL as of 3/21/2016</b>	<b>\$ 7,847,189.42</b>

### NOTES

#### NOTE 1

\$1,084,349.14 Rainy Day Fund  
~~(\$989,225)~~ Board approved funding for Japan incentive  
**\$1,088,124.14**

#### NOTE 2

\$931,936.07 Morgan Stanley CD  
~~(\$86,542.00)~~ Board approved \$86,542 on 7/23/15 for Department Revenue & Tax Auditors  
**\$845,394.07**

- Director Shinohara reported they would provide a proper finance report at the next meeting.



**VI. REPORT OF THE BOARD COMMITTEES**

**A. EXECUTIVE COMMITTEE**

**B. RESEARCH**

**C. RUSSIA & NEW MARKETS**

**D. VISITOR SAFETY & SATISFACTION**

- Director Im reported on the road safety issues at the Archbishop Flores Loop as well as the traffic light near the Westin hotel. He noted a lack of traffic signs at both areas. Chairman Baldyga suggested Director Im and Doris set up a meeting with DPW to address the issue.
- Director Im reported the RFP deadline for the Airport live entertainment was Monday – nobody applied. He noted the time and fee could have been a factor. Chairman Baldyga recommended he (Director Im) meet with DGM Taitague to discuss a proposed alternative schedule and fee that works within their budget. Director Arriola noted there's a standard fee within the cultural entertainment industry – she suggested including Dee (Cultural Heritage Officer) in the discussion.

**E. CULTURE & HERITAGE**

**F. SPORTS & EVENTS**

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

Director Kloppenburg made a motion, seconded by Director Shinohara, to approve authorization of the General Manager as Chief Procurement Officer of GVB to negotiate with the highest-ranking qualified Offeror in response to GVB RFP 2016-011 Tourism Satellite Account (TSA) Economic Impact Study.

**Motion Approved**

**BACKGROUND INFO:** Visitor spending on Guam supports thousands of jobs and generates hundreds of millions in annual revenue for the Government. With increasing role of tourism in Guam's economy, there is a need for reliable data and analyses relative to the importance and magnitude of the island's tourism industry. For purposes of comparability, it is essential that the Economic Impact Studies conducted use the same concepts, definitions and measurement approaches as are uniformly used in other tourist destinations.

With this information, government officials, entrepreneurs and residents will be better equipped to plan public policies and business strategies for tourism, and to evaluate the effectiveness and efficiency of their options and decisions. It is GVB's intent to retain a qualified professional firm with specialties in economic impact analysis to provide econometric-based consulting and research service to update the 2012 Tourist Satellite Account; from which other ad-hoc economic studies can be gleaned, as needed and when requested by the Guam Visitors Bureau.

## H. DESTINATION MANAGEMENT

Director Guzman made a motion, seconded by Director Morinaga, for Board support of \$20,000 for medial landscape improvement at medians located at Fiesta Resort and Burger King (Tumon). GVB is a beneficiary agency to administer QC benefactors' funds for Tourist Facilities improvement. Funding source is the Qualifying Certificate (QC) Program administered by GEDA.

**Motion Approved.**

- Director Guzman updated the Board on their annual maintenance (DM Committee) FY17 Budget request - he noted they came up with 1.9 million.

## I. GREATER CHINA

Exhibit A

Committee Minutes dated March 11, 2016

- Director Kloppenburg reported their joint promotion with CTrip kicked off. CTrip is the largest agency in China and they are hoping to receive good results.
- There is an upcoming Fam tour in China.
- He reported progress in the Hong Kong market.
- Director Kloppenburg reported good news from Taiwan. An airline adjustment flight schedule change that could be beneficial to the Taiwanese market.

## J. JAPAN

Exhibit B

Committee minutes dated March 8, 2016

- Director Morinaga reported Miyagi University Delegates are in Guam for a visit. They did a demonstration at the Micronesia Mall.
- Next week Kita Nagoya City delegates would be visiting and are scheduled to meet with GVB executives.
- He noted looking at the market - Japan has been pushing for people to travel to Guam. He noted United has been helpful with discounting their prices (providing campaign rate). He added people are still hesitant to travel, especially with the new Bullet Train to Hokkaido - travel time only 2 hours.
- Director Nakajima announced a change to the flight schedule for Japan Airlines - which could result in shorter wait times.
- Director Morinaga recommended that providing the passengers with a stamped time slip once they enter the Immigration area. This could help keep track of wait times. Chairman Baldyga noted it's a good idea.

## K. KOREA

- Director Im announced the Jin Air inaugural flight from Busan scheduled for April 25<sup>th</sup> with flights four days out of the week.
- He reported MBC youth soccer team would be coming to Guam for to play soccer. The television program value is expected at \$500,000.
- He reported the famous program "Delicious Fellow" would be filming in Guam May 26 though 29 and we are expected to receive \$28 million in promotional value.
- He reported at the KGTC April meeting, they would be announcing the new reps for Korea marketing and PR.



**GVB KOREA MARKETING REP MEETINGS**

Director Kloppenburg made a motion, seconded by Director Shinohara to approve travel for two (2) board members and GVB General Manager to conduct administrative meetings with the industry from April 11-13, 2016 in Seoul, Korea. Cost is approximately \$5,943.75 from the FY2016 Korea Budget, Acct# KO-SMD023.

**Motion Approved**

Airfare – (\$900 x 3 pax)	\$2,700.00
Board Per Diem – Lodging (\$230/night x 2 nights + 25% x 2 pax)	\$1,150.00
Board Meals & Incidentals (\$135/day x 3 days + 25% x 2 pax)	\$1,012.50
GM Per Diem – Lodging (\$230/night x 2 nights + @5% x 1 pax)	\$575.00
GM Meals & Incidentals (\$135/day x 3 days + 25% x 1 pax)	<u>\$506.25</u>
<b>Total:</b>	<b>\$5,943.75</b>

**Background:** The Board Chairman, JMC Chairman, and General Manager plans to attend industry meetings along with KMC Chairman, GVB Marketing Manager, and Marketing Officer, to discuss issues and opportunities within the market. The delegation will also meet with Korea representatives to discuss upcoming promotions in FY16.

**L. MEMBERSHIP & COMMUNITY OUTREACH**

**M. NORTH AMERICA & PACIFIC MARKETS**  
Committee minutes dated March 9, 2016

**Exhibit C**

Director Arriola made a motion, seconded by Director Kloppenburg, to approve travel for Pacific Marketing Officer II to attend the 2016 PATA Foundation Executive Development of Tourism (EDIT) Program at the school of Travel Industry Management (TIM), University of Hawaii at Manoa, in Honolulu from June 6-17, 2016. (Estimated cost of \$6,116.00 to come from the FY2016 Pacific Sales Market Development Account #PA-SMD023).

**Motion Approved**

Per diem:	\$294 x 14 days x 1 pax:	\$4,116.00
Misc Expenses:	\$2,000	\$2,000.00
	<b>Total:</b>	<b>\$6,116.00</b>

**Background:** The Guam Visitor Bureau will be sending the Pacific Marketing Officer II to attend the 2016 PATA Foundation Executive Development of Tourism (EDIT) Program at the School of Travel Industry Management (TIM), at the University of Hawaii in Manoa, Honolulu from June 6-17, 2016. Each year the foundation seeks applicants from across the region to apply for the program. The two-week program will be used to further enhance leadership growth and to acquire executive interaction from other tourism counterparts in the region in gaining the knowledge to develop more for the Pacific region. All participants will be given the opportunity to put together case studies and work collectively to bring forth ideas, suggestions and recommendations, which may relate to current travel trends. Marketing Manager Pilar Laguana, Marketing Officer II Gina Kono, and Research Manager Ana Cid are graduates of the EDIT Program.

United Airlines has agreed to in-kind the roundtrip airfare.

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

**VII. OLD BUSINESS**

- Director Kloppenburg noted they (China Committee) budgeted last year for a new Marketing Officer for China. He said the China staff needs another Officer. GM Denight said he would check into it and report back to the Board.
- OOG: Chairman reported he and GM Denight met with the owner of the OOG trademark. They were able to negotiate a deal that he felt was fair and appropriate. They came up with \$5,000 per year with a 4-year initial commitment and the option to extend after that. We would have the right to use it on all advertising we so wish. They would retain exclusive retail rights.
- Director E. Calvo recommended we look into whether they have an enforceable trademark. He noted trademark copyright laws have changed.
- It was decided by the Board they would table the discussion pending further counsel by a trademark copyright lawyer.

Director Shinohara made a motion, seconded by Director Kloppenburg to recess the meeting. Meeting recessed at 5:40 p.m. **Motion Unanimously Approved.**

**Monday, March 28 at 2pm, GVB Main Conference Room**

Director Shinohara made a motion, seconded by Director Morinaga, to reconvene at 2:03pm.

**Motion Unanimously Approved**

**BOARD of DIRECTORS PRESENT:**

Director Bruce Kloppenburg  
Director Sam Shinohara  
Director Milton Morinaga  
Director Bart Jackson  
Director Shelly Calvo

Director Norio Nakajima  
Director Clifford Guzman  
Director Theresa Arriola  
Director Katarina Sgro

**BOARD of DIRECTORS TELEPHONICALLY:**

Chairman Mark Baldyga  
Director Hong Soon Im

Director Robert Hofmann

**BOARD of DIRECTORS ABSENT:**

Director Eduardo "Champ" Calvo

**GVB MANAGEMENT & STAFF PRESENT:**

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Dara Roberto  
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Dee Hernandez  
Pilar Laguana  
Lisa Linek  
Ana Cid  
Russell OCampo

Jon Nathan Denight  
Antonio Muna Jr.  
Doris Ada  
June Sugawara  
Elain Pangelinan  
Josh Tyquiengco  
Nakisah Garrido

**Guests:**

Tom Fisher – Fisher & Associates

### FESTPAC TRANSFER

Director Shinohara made a motion, seconded by Director Morinaga, to approve the transfer of the balance of FestPac funds from CAHA to GVB and to approve the expenditure of those funds for FestPac logistics through GVB's Event Management Services contract subject to the following: approval of the AG, OPA and FestPac Organizing Committee on this plan of action; funds expended on FestPac shall be strictly limited to those funds received by GVB specifically for FestPac; Festpac funds shall be held in the FestPac Trust account and not comingled with other GVB accounts; no commitments or contracts shall be entered into in the excess of amount of available funds in the FestPac Trust account.

#### Discussion/Comments:

- GM Denight shared the email from the OPA. The OPA's office is OK with GVB moving forward with its events services contract. She would not be issuing a formal written opinion but had green lighted the plan to accept the money from the FestPac Committee. In her opinion, the current event management contract with TPI would allow them to perform the additional task order to address the Festpac issues.
- Chairman Baldyga noted he would like a clear accounting of what we are responsible for and what we are not.
- Director Arriola said she would like clarification that the FestPac Committee would be approving expenditures and that GVB would be facilitating the payment. She requested an amendment to the motion.

Director Arriola made a motion, seconded by Director Hofmann to amend the motion to read that GVB shall expend the funds in accordance with approvals from the FestPac Organizing Committee.

**Motion Approved.**

*11/12 Director's Approved.*

*Not present for the vote – Director E. Calvo (Director Calvo recused himself due to a conflict of interest)*

### VIII. NEW BUSINESS

#### IX. EXECUTIVE SESSION

#### X. ANNOUNCEMENT

##### **Upcoming Board Meetings:**

- Thursday, April 14, 2016 at 3:00pm, GVB Main Conference Room.
- Thursday, April 28, 2016 at 3:00pm, GVB Main Conference Room.

##### **Announcements:**

#### XI. ADJOURNMENT

Director Kloppenburg made a motion to adjourn the meeting. Meeting adjourned at 2:22pm.

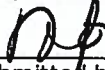
**Motion Unanimously Approved.**





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



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Board Minutes respectively submitted by Dara Roberto, Executive Secretary

**Action Item:**

**Tumon Masterplan Task Force**

- o Finalize signage / touting / abandoned-building / hand-billing legislation No internal experience to draft this → need to outsource
- o Incorporate into a capital request for funding via a bond
- o Submit draft plan → Director Guzman / Doris Ada
- o Adjust the bill we are putting forward to include a budget for MasterPlan

**Festpac** → Nathan shared with Executive Committee

- o Total Festpac Budget
- o Sources of funding already approved
- o Sources of funding still needed
- o How accounts will be handled and administered

**Sports & Events Recap** → next BOD meeting

- o Money spent
- o Arrivals
- o Return on Investment

**Immigration wait time / CBP** → Lt. Gov. Task Force

- o Report from Lt. Governor's Office

- Management to set up workshop regarding GuestHouse issue – open to public

- Director Shinohara to present Board policies and procedures

- Staff to provide a short recap of 2016 Smart Goals: Where we are at and where we are going  
→ next BOD meeting

- Management to craft Resolution congratulating Takagi-san on his award from the Emperor of Japan → PIO working with Japan Consulate

- Special meeting to discuss ideas for 2016 → GVB plans by Fiscal Year – Plan FY17 now

- Identify funds for Professional Consultant for Tumon Improvement Plan

- Update Tourism 2020