



BOARD OF DIRECTORS REGULAR MEETING

Thursday, June 23, 2016 - 3:00 p.m.

Guam Visitors Bureau- Main Conference Room

BOARD of DIRECTORS PRESENT:

Director Bruce Kloppenburg

Director Norio Nakajima

Director Sam Shinohara

Director Hong Soon Im

Director Milton Morinaga

Director Katarina Sgro

Director Bart Jackson

Director Therese Arriola

BOARD of DIRECTORS TELEPHONICALLY:

Director Robert Hofmann

BOARD of DIRECTORS ABSENT:

Chairman Mark Baldyga - Off island

Director Eduardo "Champ" Calvo - Off island

Director Clifford Guzman - Off island

GVB MANAGEMENT & STAFF PRESENT:

Telo Taitague

Russell Ocampo

Satoe Mukai

Antonio Muna Jr.

Colleen Cabedo

Meriza Peredo

Mark Manglona

Doris Ada

Brian Borja

Dee Hernandez

Lisa Linek

June Sugarawa

Nicolas Yasuhiro

Nakisha Garrido

Kraig Camacho

GUESTS:

I. CALL TO ORDER

In the absence of Chairman Baldyga, Vice Chairman Bruce Kloppenburg called the meeting of the board to order at 3:04pm.

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 12, 2016.

Motion Unanimously Approved. (Subject to minor revisions)

III. CHAIRMAN'S REPORT

**nothing to report*

IV. GENERAL MANAGER'S REPORT

- Acting GM, Telo Taitague reported GVB signed a contract with AMI for anti-graffiti removal. Areas to include all of Tumon, upper Tumon and the Micronesia Mall.
- The Summer Beach Festival starting July 17 for 7 weeks at Ypao Beach Park. Featuring live music, entertainment, food trucks, fun-zones for kids, and fireworks every Saturday.
- **Bill 338:** From the Governor, which would provide solutions for the funding of GMH - possibly raising the TAF from 11% to 15%. The Guam Chamber of Commerce is crafting a response. GVB should be proactive and prepare a letter opposing the increase with a list of various reasons including the impact of hotel occupancy taxes on the industry. GVB to work with GHRA, JGTC and the Chamber of Commerce to provide a consistent message.

V. TREASURER'S REPORT

Exhibit B

FY 2016					
	Appropriation	Received to Date		Balance	
Operations	\$ 21,044,191.00	\$ 10,354,441.00	49%	\$ 10,689,750.00	51%
Destination Development	\$ 1,235,000.00	\$ 743,750.00	60%	\$ 491,250.00	40%
Rainy Day Fund	\$ 200,000.00	\$ 150,000.00	75%	\$ 50,000.00	25%
Cultural & Sports Ambassador Fund	\$ 200,000.00	\$ 110,000.00	55%	\$ 90,000.00	45%
Pass-Thru	\$ 750,000.00	\$ 531,250.00	71%	\$ 218,750.00	29%
Guam Football Association	\$ 400,000.00	\$ 400,000.00	100%	\$ -	0%
Pilot Program Korean Visitor Market	\$ 250,000.00	\$ 250,000.00	100%	\$ -	0%
FESTPAC	\$ 1,300,000.00	\$ 1,300,000.00	100%	\$ -	0%
Capital Improvement Projects	\$ 1,000,000.00	\$ 1,000,000.00	100%	\$ -	0%
TOTAL	\$ 26,379,191.00	\$ 14,839,441.00		\$ 11,539,750.00	

Total Receivables FY 2016 \$ 11,539,750.00

Accounts

RESTRICTED

Bank of Guam - Rainy Day Fund ¹	\$ 2,247,211.94
Bank of Guam - FESTPAC Trust Account ²	\$ 3,728,210.22
Cultural & Sports Ambassador Fund	\$ 299,000.00
TOTAL	\$ 6,274,422.16

UNRESTRICTED

Bank of Guam - Operations	\$ 2,415,504.46
First Hawaiian Bank - Membership	\$ 65,910.90
Resona	\$ 304,946.99
Bank of Guam - TAF	\$ 2,429,100.75
Morgan Stanley - CD value as of 05/31/2016 ³	\$ -
Raymond James - CD value as of 05/31/2016 ²	\$ 2,522,017.41
TOTAL	\$ 7,737,480.51

TOTAL as of 06/21/2016 \$ 14,011,902.67

Current Payables

Asatsu Invoices APR	\$ 151,950.86
Japan Invoices	\$ 17,530.23
Guam Invoices	\$ 390,186.32
FY 2016 Pass-thru appropriations	\$ 16,250.00
Encumbered Contracts	\$ 3,460,794.41
Encumbered Purchase Orders	\$ 181,139.36
FESTPAC Trust Account	\$ 3,728,210.22
TOTAL as of 06/21/2016	\$ 7,946,061.40

NOTES

NOTE 1

\$2,037,725.36 Rainy Day Fund
 (\$790,742.42) Board approved funding for Japan Incentive
 \$1,246,982.94

NOTE 2

\$1,400,675.37 Morgan Stanley/Raymond James CD
 (\$86,542.00) Board approved \$86,542 on 7/23/15 for Department Revenue & Tax Auditors
 (\$700,000.00) Board approved \$700,000 on 2/25/16 for Pale San Vitores Road Bus Shelter Project
 \$614,133.37

NOTE 3

\$3,728,210.22 FESTPAC Trust Account
 (\$2,944,313.29) TPI Invoices
 \$783,896.93

- Director Shinohara reported we are at 49% of collections (should be at 75%). The Board suggested preparing a letter to send to the Governor informing him GVB would have to start internal cutbacks if we don't receive allotments.

VI. REPORT OF THE BOARD COMMITTEES

A. EXECUTIVE COMMITTEE

Director Jackson made a motion, seconded by Director Hofmann, to ratify Executive Committee's travel approval for Satoe Mukai, Sales & Marketing Assistant, GVB Japan, Osaka, to support the Japan Marketing Manager from June 5, 2016 to July 5, 2016. (Estimated cost \$ 6,078.42; Account#JA-SMD045)

Motion Approved

Travel Expenses:

Airfare: (Economy rate, fuel charge inclusive)	\$500.00
Hotel:	\$3,520.00
R/T Transportation to KIX airport:	\$58.42
Guam Per Diem: \$62.50 x 32 nights	<u>\$2,000.00</u>
Total:	\$6,078.42

Background:

To assist the Japan marketing section at GVB Guam, to cover and support anything related to Japan marketing activities. Ms.Satoe Mukai, Sales & Marketing Assistant, will assist for Hafa Adai Study Tour, Guam Summer Fest, JATA and other on-going projects. While on Guam, she will work closely with Nadine Leon Guerrero, Japan Manager & June Sugawara, Japan Manager and help with Japan office staff members to make sure that everything goes well and proceed as planned.

Issue: Board approval required for all travel

Director Jackson made a motion, seconded by Director Hofmann, to ratify Executive Committee's travel approval for the JMC Chairman, the General Manager and the Japan Marketing Officer to attend a meeting with Skymark Airlines on June 7, 2016 in Tokyo, Japan. (Estimated cost per trip \$4,774.50; account # JA-SMD008).

Motion Approved

Airfare - 3 pax	(Estimate)	\$1,000.00	\$3,000.00
Tokyo	Per diem	Days	
President	\$633.75	1	\$633.75
JMC Chair	\$633.75	1	\$633.75
Marketing Manager Japan	\$507.00	1	\$507.00
TOTAL			\$4,774.50

Background: Skymark Airlines is a low cost carrier flying domestic routes from Haneda to 9 airports throughout Japan. If successful in having them develop a Guam route, their vast network from north to south affords Guam the opportunity to begin routes via Kobe, Ibaraki, Nagasaki, Kagoshima and Naha. A representative from the Guam International Airport Authority will join the GVB delegation. In addition to Skymark, a meeting will be held with GVB Japan staff. Upon completion President Denight will continue on to Korea to attend KOTFA and the Hanatour International Travel Show.

Hafa Adai Study Tour 2016

Director Jackson made a motion, seconded by Director Nakajima, to ratify Executive Committee's travel approval for five staff from GVB Japan Office, GVB Japan to join Hafa Adai Guam Study Tour in 2016 from June 30 - July 4, 2016. (Estimated cost of travel \$3,060.50, Account #SMD003).

Motion Approved

Travel Expenses

Airfare:	\$194.00 x 4 pax	\$776.00
	\$422.00 x 1 pax	\$422.00
Taxes:	\$49.00 x 5 pax	\$245.00
JP Transportation to/from airport:	5 pax	\$430.00
Guam Per Diem:	\$62.50 x 4 nights x 4 pax	\$1000.00
Guam Per Diem:	\$62.50 x 3 nights x 1 pax	\$187.50
Total:		\$3,060.50

Background: 67 participants from areas with direct flights from Japan will come to Guam to learn about the latest developments, inspect various facilities and experience our islands amenities and culture. These agents are focused on MICE and Group travel and will receive first hand knowledge of Guam to improve their sales skills.

- Arrival breakdown: CTS: 10 pax, SDJ: 10pax, NRT: 17pax, NGO: 10pax, KIX: 10pax, FUK: 10.
- General Schedule
 - 1st day: Trade show, Hotel Inspection and Welcome Dinner.
 - 2nd day: Optional Tour and BBQ Block party.
 - 3rd day: Optional Tour.
 - 4th day: Return to Japan.

Issue: Board approval required for all travel

B. CULTURE & HERITAGE

- Director Arriola reported we just came out of a wonderful 2 weeks of FestPac. She congratulated the committee on a job well done. Overall, the delegations had a wonderful time.
- Director Nakajima added we could have done a better job with PR getting visitor participation.
- The Board requested a close out report from Management

C. SPORTS & EVENTS

- Director Sgro reported we approved grants under the Ambassadorship Program.
- Upcoming BBQ Block Party set for July 2, 2016.

D. ADMINISTRATION & GOV'T RELATIONS

E. DESTINATION MANAGEMENT

- Director Hofmann reported the FestPac village impact was positive. The Village of Sinajana received 1500 people. The money the Mayors' received from GVB helped to clean up the parks and restrooms.

F. GREATER CHINA

- Director Kloppenburg reported they are working with United on a program, which they would present to the Board at the next meeting.
- He noted charters would be coming this summer.

G. JAPAN

- Director Morinaga reported they would be reviewing the RFP for marketing services In Japan.
- The Hafa Adai Study Tour on July 1st.
- He stressed the need to push ESTA. He asked AGM Taitague to follow up with CBP on ESTA regulations.

H. KOREA

- Director Jackson reported they just returned from the KOTFA and HANA tradeshows. GVB won best tourism publicity award and best folklore performance award at KOTFA. He congratulated management on a job well done.

I. MEMBERSHIP & COMMUNITY OUTREACH

J. NORTH AMERICA & PACIFIC MARKETS

K. RESEARCH

L. RUSSIA & NEW MARKETS

- Director Jackson reported they attended the PITE show but It was more of a domestic show because of the ruble.

M. VISITOR SAFETY & SATISFACTION

Director Jackson made a motion, seconded by Director Shinohara to approve travel for the First Lady Christine Calvo and GVB DGM Telo Taitague to attend meetings with Secretary of Homeland Security, Mr. Jeh Johnson in Washington D.C. from July 12 - 13, 2016 and attend the National Governors Association (NGA) 2016 Summer Meeting in Des Moines, Iowa from July 13 - 16. (Cost approximately \$1,629.25, Account Number VSS001).

Motion Failed

**7 yeas / *1 nay*

Airfare	2	\$0.00		\$0.00
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Per Diem				
FL Lodging - DC	1	\$174.00	1	\$174.00
FL M&IE - DC	1	\$69.00	2	\$138.00
DGM Lodging - DC	1	\$217.50	1	\$217.50
DGM M&IE - DC	1	\$86.25	2	\$172.50
FL Lodging - Iowa	1	\$101.00	3	\$303.00
FL M&IE - Iowa	1	\$59.00	2	\$118.00
DGM Lodging - Iowa	1	\$126.25	3	\$378.75
DGM M&IE - Iowa	1	\$73.75	2	\$147.50
T otal Expense:				\$1,649.25

Background: The DGM will join the Governor and First Lady in meeting with Secretary of the Homeland Security Mr. Jeh Johnson to discuss the CPB lines at airport. Items to be discussed are the excessive delays in processing time, in part because of language difficulties (more than 90% of Guam visitors come from Asian countries), and the insufficient number of ground agents available to ensure that arrival documents are correctly prepared and arriving passengers directed to the right queues. Additionally, the DGM will join Governor Calvo and First Lady in meetings at the National Governors Association (NGA) 2016 Summer Meeting in Des Moines, Iowa from June 13 - 16.

- Director Im reported the airport live entertainment during PATA and FestPac was successful. He would like to consider live entertainment year round.
- He reported the airport would be adding a ramp near its north wing.
- Director Im noted the streetlights in Tumon, 60% of which are not working. Acting GM Taitague reported they would be meeting on Monday. They are moving forward with the scope of work for the 2nd phase of the streetlight project, which is the installation.
- Director Morinaga reported the ongoing issue of peddlers, especially neat the Hyatt and Westin area. He added we need active enforcement.
- Director Shinohara said they received 6 automated passport readers. Installation pending programming approval by Homeland Security.

VII. OLD BUSINESS

VIII. NEW BUSINESS

IX. EXECUTIVE SESSION

X. ANNOUNCEMENT

Upcoming Board Meetings:

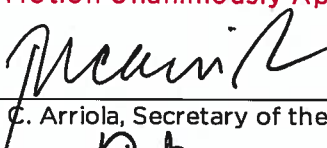
- o Thursday, July 14, 2016 at 3:00pm, GVB Main Conference Room.
- o Thursday, July 28, 2016 at 3:00pm, GVB Main Conference Room.

Announcements:

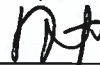
- o **BBQ Block Party Press Conference - Thursday, June 30, 10:30am Outrigger Guam Resort**
- o **BBQ Block Party - Saturday, July 02, 2016, Pleasure Island**
- o **Visit Guam 2017 Press Con - Sunday, July 17, 2016, Guam Museum**
- o **Guam Summer Beach Festival - Sunday, July 17, 2016, Ypao Beach (7 weekends)**

XI. ADJOURNMENT

Director Shinohara made a motion, seconded by Director Jackson to adjourn the meeting. Meeting adjourned at 4:13p.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:

- Management to follow up on Board vacancy
- Management to craft a letter opposing Bill 338
- Management to provide the Board with FestPac close out report
- Management to set up meeting with DPW regarding Westin and Archbishop Flores Intersections

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

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