



**BOARD OF DIRECTORS REGULAR MEETING**  
Thursday, September 8, 2016 – 3:00 p.m.  
Guam Visitors Bureau- Main Conference Room

**BOARD of DIRECTORS PRESENT:**

Chairman Mark Baldyga	Director Bruce Kloppenburg
Director Sam Shinohara	Director Milton Morinaga
Director Norio Nakajima	Director Clifford Guzman
Director Hong Soon Im	Director Bart Jackson
Director Eduardo "Champ" Calvo	Director Robert Hofmann
Director Theresa Arriola	Director Katarina Sgro

**BOARD of DIRECTORS TELEPHONICALLY:**

**BOARD of DIRECTORS ABSENT:**

**GVB MANAGEMENT & STAFF PRESENT:**

Telo Taitague	Dara Roberto	Antonio Muna
Ana Cid	Nadine Leon Guerrero	June Sugawara
Nicolas Yasuhiro	Josh Tyquiengco	Nakisha Garrido
Lisa Linek	Laurette Perez	Karida Brennan
Meriza Peredo	Doris Ada	Haven Torres
Kraig Camacho		

**GVB MANAGEMENT & STAFF TELEPHONICALLY:**  
Jon Nathan Denight

**GUESTS:**  
Lara Ozaki – Glimpses Publications

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**I. CALL TO ORDER**

Chairman Baldyga called the meeting of the board to order at 3:11 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 June 23, 2016.

**Motion Unanimously Approved. (Subject to minor revisions)**

Chairman Baldyga made a motion to approve the minutes of the previous Board of Directors meeting dated July 14, 2-16.

**Motion Unanimously Approved. (Subject to minor revisions)**

**III. CHAIRMAN'S REPORT**

- Chairman Baldyga spoke about parting gifts for Yuji Mitsumori, manager of GVB Japan Office. Nadine stated that in addition to GVB Resolution No.: 2016-002 (attachment A), the Mayor's Council will be making him an honorary resident of Guam and Senator Barnes is working on a resolution for him as well.
- Chairman Baldyga reminded all Directors to update their SMART goals for their respective committees to ease transitions, as their terms are coming to an end.

**IV. GENERAL MANAGER'S REPORT**



Guam Visitors Bureau  
President's Report  
September 8, 2016

## RESEARCH



**August 2016**  
**Best Month Ever!**

**PRELIMINARY Visitor Arrivals**  
**AUGUST 2016**  
Total: 144,695 (6.8%)

**PRELIMINARY Visitor Arrivals**  
**CYTD 2016 (January 2016 - August 2016)**  
Total: 1,010,789 (9.7%)

**PRELIMINARY Visitor Arrivals**  
**FYTD 2016 (October 2015 - August 2016)**  
Total: 1,377,252 (10.0%)

% Market Mix	Origin	Pax	% to LY
54.8%	Japan	79,342	7.7%
32.4%	Korea	46,909	9.8%
4.7%	US/Hawaii	6,827	9.5%
2.4%	Taiwan	3,464	-11.5%
1.4%	China	2,078	-37.1%
1.0%	Philippines	1,468	71.1%

% Market Mix	Origin	Pax	% to LY
49.4%	Japan	498,961	-3.2%
34.5%	Korea	348,770	31.3%
5.2%	US/Hawaii	52,726	10.5%
2.9%	Taiwan	29,018	-3.6%
2.0%	China	19,804	19.2%
1.3%	Philippines	13,008	74.7%

% Market Mix	Origin	Pax	% to LY
49.9%	Japan	687,627	-3.2%
34.5%	Korea	475,245	36.5%
5.1%	US/Hawaii	69,653	8.6%
2.8%	Taiwan	38,044	-3.1%
1.8%	China	24,449	15.6%
1.2%	Philippines	17,082	50.2%



Taiwan Marketing News

August Sales Mission & Guam Chamorro Dance Academy  
August 21<sup>st</sup> - 26<sup>th</sup>

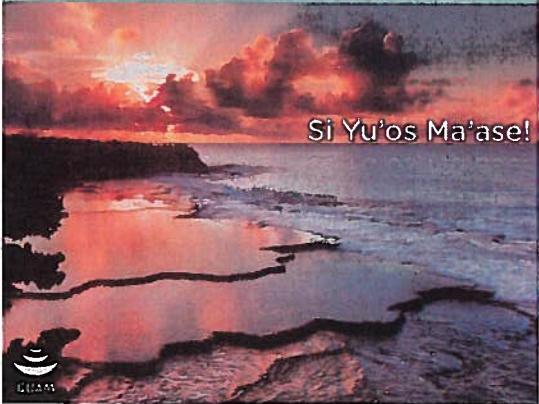


Hong Kong Marketing News

Vocational Training Council  
August 3-8, 2016



DESTINATION



Si Yu'os Ma'ase!

Sports & Events



Guam Ko'ko' Road Races coming soon!

- Promotions now ongoing
- 1<sup>st</sup> annual GVB Signature Event will be Halloween Weekend
- Guam Ko'ko' Kids Fun Run will be on October 29th
- Guam Ko'ko' Road Races will be on October 30<sup>th</sup>
- Best superhero, most original and scarier costumes will be awarded with cash prizes
- Registration at [guamkokorodrace.com](http://guamkokorodrace.com) or at PIC



V. TREASURER'S REPORT

Exhibit B

FY 2016						
	Appropriation	Received to Date		Balance		
Operations	\$ 21,044,191.00	\$ 16,358,191.00	78%	\$ 4,686,000.00	22%	
Destination Development	\$ 1,235,000.00	\$ 1,015,000.00	82%	\$ 220,000.00	18%	
Rainy Day Fund	\$ 200,000.00	\$ 200,000.00	100%	\$ -	0%	
Cultural & Sports Ambassador Fund	\$ 200,000.00	\$ 160,000.00	80%	\$ 40,000.00	20%	
Pass-Thru	\$ 750,000.00	\$ 683,750.00	91%	\$ 66,250.00	9%	
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%	
<b>TOTAL</b>	<b>\$ 26,379,191.00</b>	<b>\$ 21,366,941.00</b>		<b>\$ 5,012,250.00</b>		
<b>Total Receivables FY 2016</b>				<b>\$ 5,012,250.00</b>		
<b>Accounts</b>						
<b>RESTRICTED</b>						
Bank of Guam - Rainy Day Fund		\$ 2,083,202.99				
Bank of Guam - FESTPAC Trust Account		\$ 645,676.97				
Cultural & Sports Ambassador Fund		\$ 339,250.00				
<b>TOTAL</b>		<b>\$ 3,068,129.96</b>				
<b>UNRESTRICTED</b>						
Bank of Guam - Operations		\$ 5,359,134.71				
First Hawaiian Bank - Membership		\$ 63,343.75				
Resona		\$ 196,272.00				
Bank of Guam - TAF		\$ 2,594,225.26				
Raymond James - CD value as of 07/31/2016 <sup>2</sup>		\$ 2,523,569.89				
<b>TOTAL</b>		<b>\$ 10,736,545.61</b>				
<b>TOTAL as of 09/07/2016</b>		<b>\$ 13,804,675.57</b>				
<b>Current Payables</b>						
Asatsu invoices JUN - JUL		\$ 504,289.50				
Japan Invoices		\$ 1,600.57				
Guam Invoices		\$ 45,619.40				
FY 2016 Pass-thru appropriations		\$ 18,750.00				
Encumbered Contracts		\$ 3,938,384.65				
Encumbered Purchase Orders		\$ 155,463.05				
FESTPAC Trust Account		\$ 645,676.97				
<b>TOTAL as of 09/07/2016</b>		<b>\$ 5,309,784.14</b>				
<b>NOTES</b>						
<b>NOTE 1</b>						
	\$645,676.97	FESTPAC				
	(\$231,312.57)	FESTPAC expenditures - reimburse Operations				
	<b>\$414,364.40</b>					
<b>NOTE 2</b>						
	\$1,407,282.57	Morgan Stanley/Raymond James CD				
	(\$86,542.00)	Board approved \$86,542 on 07/23/15 for Department Revenue & Tax Auditors				
	(\$700,000.00)	Board approved \$700,000 on 02/25/16 for Pale San Vitores Road Bus Shelter Project				
	(\$150,000.00)	Board approved \$150,000 on 07/14/16 for Pale San Vitores Road Bus Shelter Project				
	<b>\$470,740.57</b>					

- The GM said he will follow up with DOA about the payment for DRT auditors (under Note 2) and will have an update at the next Board of Directors meeting.



**VI. REPORT OF THE BOARD COMMITTEES**

**A. EXECUTIVE COMMITTEE**

Director Kloppenburg made a motion, seconded by Director Jackson, to ratify Executive Committee's travel approval for the Korea Guam Travel Association (KGTA) President, Mr. John Ko to join the GVB delegation attending the Korea road shows in Daegu and Busan and the 19<sup>th</sup> Annual Busan International Travel Fair (BITF). Travel dates are from September 7 - 13, 2016. Cost is approximately \$3,466.91 from Acct# #KO-SMD023.

**Motion Approved**

Airfare:	\$734.91
Per Diem:	
Daegu- \$253/day x 1 day	\$506.00
Busan- \$371/day x 6 days	<u>\$2,226.00</u>
<b>TOTAL BUDGET:</b>	<b>\$3,466.91</b>

**Background:** The Guam Visitors Bureau plans to participate in the upcoming Busan International Travel Fair (BITF). The BITF is the second largest consumer travel show in Korea and held at its second largest city and gateway of Busan. GVB's participation will provide Guam exposure to potential travelers from Busan and the region, a key target for a possible new gateway for regular scheduled flights from Korea to Guam and to support new operations from Air Busan and Korean Air's weekly flights. While in Busan, GVB plans to conduct a Guam Destination Update Seminar to the travel agencies in Busan and Daegu.

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

Director Kloppenburg made a motion, seconded by Director Jackson, to ratify Executive Committee's travel approval for the President to Japan for a meeting with GVB Japan Staff on September 8, 2016. (Estimated cost (per diem only): \$678.75. Account number: SMD045)

**Motion Approved**

**Background:** On his way to PATA Board meetings, the President will stop in Tokyo, Japan to hold a meeting with Japan staff regarding the selection of the new manager.

**B. DESTINATION MANAGEMENT**

- Director Guzman reported that the DMC subcommittee for Tourism District Improvement will soon make its presentation to the committee. The presentation will cover various issues including signage and road improvements. Prior to board presentation, Chairman Baldyga suggested a meeting between Director Guzman and the GM and Chairman to discuss how some of the DMC concerns can be wrapped into a new bond.

**C. GREATER CHINA**

- Director Kloppenburg announced upcoming promotions and reported that the Taiwan dance academy kickoff was successful.

#### D. JAPAN

- Director Morinaga expressed the importance of KE maintaining their flight schedule out of Osaka and that this should be discussed during upcoming trip to Korea with the Governor, Chairman Baldyga, and the GM. The GM stated that he would prepare a gift for the Governor to present to KE representative as a token of appreciation.

#### E. KOREA

- Director Jackson reported that the Busan International Travel Fair is this weekend and that the Korea market is continuing to move forward.

#### F. MEMBERSHIP & COMMUNITY OUTREACH

#### G. NORTH AMERICA & PACIFIC MARKETS

Director Kloppenburg made a motion, seconded by Director Jackson, to approve authorization of the President and Chief Executive Officer as Chief Procurement Officer of GVB to negotiate with the highest-ranking qualified Offeror in response to GVB RFP 2016-012, TOURISM DESTINATION MARKETING REPRESENTATION SERVICES IN THE REPUBLIC OF THE PHILIPPINES.

Motion approved

9/10 Directors approved (Director Calvo recused himself due to conflict of interest.)

#### H. RESEARCH

- Director Shinohara reported that the review process for the STAR RFP is not completed yet, but will be by the next Board of Directors meeting.
- Chairman Baldyga requested that the research department produce a key statistics report to distribute to membership at the end of the calendar year.

#### I. RUSSIA & NEW MARKETS

Director Jackson made a motion, seconded by Director Kloppenburg, to approve authorization of the President and Chief Executive Officer as Chief Procurement Officer of GVB to negotiate with the highest-ranking qualified Offeror in response to GVB RFP 2016-013, TOURISM DESTINATION MARKETING REPRESENTATION SERVICES IN RUSSIA.

Motion approved

- Director Jackson reported that the selection process is completed for the aforementioned RFP and management will be negotiating with the top vote getter.
- Director Jackson reported that the market condition is unchanged; it is still a challenge to get people from Russia to travel to Guam and it will continue to be until the currency recovers.

#### J. VISITOR SAFETY & SATISFACTION

- Director Im reported that the airport entertainers perform only in the afternoon now, cutting costs to \$10k for the month of September.
- Director Im suggested that GVB partners with hotels to offer a Chamorro Cha Cha Class. Director Arriola said she would bring it up to the cultural committee.

#### K. CULTURE & HERITAGE

- Director Arriola thanked for the Board for their support with the dance academy. She is now working on starting it in Korea.

#### L. SPORTS & EVENTS

- Director Sgro reported that the budget was discussed at the last committee meeting and reminded everyone that the Ko'ko' Road Race is next month.

#### M. ADMINISTRATION & GOV'T RELATIONS

- The DGM reported that GHRA is still trying to fight the bill regarding health insurance at hotels. It will be discussed in legislative session later this month.

#### VII. OLD BUSINESS

#### VIII. NEW BUSINESS

- Chairman Baldyga stated that he wants to refresh Tourism 2020 to reflect current statistics.
- Regarding GVB Resolution No.: 2016-003 - Relative to authorizing the use of the Rainy Day Fund pursuant to 12 GCA §9303 to increase marketing activities in Japan to battle the decline in arrivals due to unforeseen certain external economic conditions.
  - The GM stated that in the last few years we have been losing seat capacity and we need seats to grow. He suggested that we use the Rainy Day Fund to support charter flight incentive programs. Director Shinohara recommended waiting to hear the ideas from the new GM of GVB Japan office. The GM is concerned that if we continue to wait we will miss opportunities and he is confident that the two-year strategic plan will yield results. Director Morinaga agreed that time is crucial but he would like to hear from the new GM of GVB Japan office first. Chairman Baldyga proposed using the current Japan budget and if needed, tap into the Rainy Day Fund as a supplement. The GM will present a final plan to the Board in October.
- Regarding China budget - Director Kloppenburg stated that the China market has too many programs to cut the budget by \$500k. He also stated that we need the support of the airlines, specifically United, to increase arrivals.

Chairman Baldyga made a motion, seconded by Director Kloppenburg, to approve the revised budget breakdown labeled "GVB FY2017 Budget Breakdown" as the approved budget.

**Motion approved (Subject to minor revisions)**





Director Shinohara made a motion, seconded by Director Kloppenburg, to approve Guam Visitors Bureau Resolution No: 2016-002 honoring Yuji Mitsumori for his contributions to GVB, the Guam tourism industry, and people of Guam.

**Motion approved**

IX. EXECUTIVE SESSION

X. ANNOUNCEMENTS

**Upcoming Board Meetings:**


- o Thursday, September 29, 2016 at 3:00 p.m., GVB Main Conference Room.
- o Thursday, October 13, 2016 at 3:00 p.m., GVB Main Conference Room.

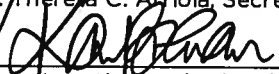
**Announcements:**

- o Board of Directors meeting scheduled for September 22, 2016 was rescheduled for September 29, 2016.
- o Board working session is scheduled for Wednesday, September 14, 2016 at 3:00pm to discuss Tourism 2020 updates and the HOT Bond.

XI. ADJOURNMENT

Director Arriola made a motion, seconded by Director Jackson, to adjourn the meeting. Meeting adjourned at 4:31 p.m. **Motion Unanimously Approved.**

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

  
\_\_\_\_\_  
Board Minutes respectively submitted by Karida Brennan, Executive Secretary

Action Item:

- Management to set up workshop regarding GuestHouse issue - open to public → Management will schedule a meeting with DRT and 2 new hires in the next few months
- GM to follow up with DOA about payment for DRT auditors
- Update of the Tourism 2020 Plan → Working session scheduled for 9/14/16 at 3pm
- 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

- 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