



**BOARD OF DIRECTORS REGULAR MEETING**

Thursday, April 27, 2017 - 3:30pm  
Guam Visitors Bureau - Main Conference Room

**BOARD OF DIRECTORS PRESENT:**

Director Milton Morinaga	Director Bart Jackson
Director Sam Shinohara	Director Robert Hofmann
Director Monte Mesa	Director William Nault
Director Young Hong	Director Satoru Murata

**BOARD OF DIRECTORS TELEPHONICALLY:**

**BOARD OF DIRECTORS ABSENT:**

Director Eduardo "Champ" Calvo	Director Tak Takano
Director Brad Kloppenburg	Director Katarina Sgro
Director Theresa Arriola	

**GVB MANAGEMENT & STAFF PRESENT:**

Antonio Muna	Karida Brennan	Gina Kono
Nico Fujikawa	Nakisha Garrido	Nadine Leon Guerrero
Doris Ada	Regina Nedlic	June Sugawara
Meriza Peredo	Josh Tyquiengco	

**GVB MANAGEMENT & STAFF TELEPHONICALLY:**

**GUESTS:**

Joe Mesngon - Senator Dennis Rodriguez's Office

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I. CALL TO ORDER

Chairman Morinaga called the meeting of board to order at 3:40pm.

II. MINUTES OF THE PREVIOUS MEETING

Exhibit A

Director Shinohara made a motion, seconded by Director Jackson, to approve the minutes of the previous board of directors meeting dated April 12, 2017.

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

III. CHAIRMAN'S REPORT

- o Chairman Morinaga reported that Director Nault accepted his appointment as Vice Chairman of the Japan Marketing Committee (JMC). There are now three JMC Vice Chairmen as Japan is currently in a very critical situation and Chairman Morinaga needs their support.

IV. PRESIDENT & CEO'S REPORT

- *In the absence of President Denight, Vice President Muna served as acting President & CEO.*
  - o Acting President Muna briefly touched on the upcoming Guam Micronesia Island Fair (GMIF). The opening ceremony will be on May 3 at Chamorro Village.
  - o The bus shelter project should be completed throughout Tumon in the next month.



- o The streetlight project is ongoing but has been delayed due to weather. This project should be completed in July/August.
- o Governor Calvo is hosting the Micronesian Islands Forum (MIF). All board members are invited to the MIF dinner reception on Monday at the Guam Museum.

V. TREASURER'S REPORT

Exhibit B

FY 2016						
	Appropriation	Received to Date		Balance		
Operations	\$ 21,044,191.00	\$ 21,044,191.00	100%	\$ -		0%
Destination Development	\$ 1,235,000.00	\$ 1,235,000.00	100%	\$ -		0%
Rainy Day Fund	\$ 200,000.00	\$ 200,000.00	100%	\$ -		0%
Cultural & Sports Ambassador Fund	\$ 200,000.00	\$ 200,000.00	100%	\$ -		0%
Pass-Thru	\$ 750,000.00	\$ 712,500.00	95%	\$ 37,500.00		5%
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>\$ 26,341,691.00</b>		<b>\$ 37,500.00</b>		

TOTAL RECEIVABLES FY 2016 \$ 37,500.00

FY 2017						
	Appropriation	Received to Date		Balance		
Operations	\$ 21,282,472.00	\$ 13,283,871.00	62%	\$ 7,998,601.00		38%
Destination Development	\$ 1,085,000.00	\$ 632,916.67	58%	\$ 452,083.33		42%
Rainy Day Fund	\$ 200,000.00	\$ 116,666.67	58%	\$ 83,333.33		42%
Cultural & Sports Ambassador Fund	\$ 200,000.00	\$ 116,667.67	58%	\$ 83,332.33		42%
Pass-Thru	\$ 1,085,000.00	\$ 755,835.34	70%	\$ 329,164.66		30%
<b>TOTAL</b>	<b>\$ 23,852,472.00</b>	<b>\$ 14,905,957.35</b>		<b>\$ 8,946,514.65</b>		

TOTAL RECEIVABLES FY 2017 \$ 8,946,514.65

TOTAL RECEIVABLES \$ 8,984,014.65

Accounts

**RESTRICTED**

Bank of Guam - Rainy Day Fund	\$ 2,201,556.73
Cultural & Sports Ambassador Fund	\$ 461,017.67
<b>TOTAL RESTRICTED</b>	<b>\$ 2,662,574.40</b>

**UNRESTRICTED**

Bank of Guam - Operations	\$ 13,648,454.24
First Hawaiian Bank - Membership	\$ 116,558.01
Resona	\$ 868,420.66
Bank of Guam - TAF	\$ 1,373,415.44
Raymond James - CD value as of 03/31/2017 <sup>2</sup>	\$ 2,534,156.66
<b>TOTAL UNRESTRICTED</b>	<b>\$ 18,541,005.01</b>

TOTAL CASH as of 04/24/2017 \$ 21,203,579.41

Current Payables

Asatsu Invoices JAN - MAR	\$ 1,734,929.53
Japan Invoices	\$ 67,928.63
Guam Invoices	\$ 312,857.72
Encumbered Contracts	\$ 4,073,517.41
Encumbered Purchase Orders	\$ 1,888,304.97
<b>TOTAL as of 04/24/2017</b>	<b>\$ 8,077,538.26</b>

NOTES

**NOTE 1**

\$461,017.67 Cultural and Sports Ambassador Fund  
 (\$5,250.00) Cultural and Sports Ambassador expenses - reimburse Operations  
 \$455,767.67

**NOTE 2**

\$1,417,869.34 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  
 (\$50,000.00) Ex Com approved \$50,000 on 04/07/17 for Streetlight Project Management  
 \$431,327.34

April 24, 2017





- o Director Shinohara did not have anything new to report.
- o He opened the floor to discuss the FY2018 budget. GVB's budget request is due to Speaker Cruz on May 15. Chairman Morinaga requested for all committee chairs to meet with their respective staff to discuss their budget. He then scheduled a board working session for May 4 where all chairs/staff should be able to justify their budget and give a breakdown to detail how funds will be spent.
- o Director Hofmann directed the board to Attachment A: Destination Management Committee FY2018 Annual Maintenance Budget Request. He stated that he met with the mayors and confirmed that they will lobby for item 2 (Island Roadway Maintenance). He suggested that as part of their budget request, DMC includes the amount of work that can be done with different budgets then allow the legislature to pick the budget and corresponding road maintenance work. Vice Chairman Mesa agreed to include this as a supplement. Also under item 2, Vice Chairman Mesa clarified that currently, trash collection and cutting only occur once a month.
- o Under item 6 (Holiday Illumination), Vice Chairman Mesa confirmed that the budget includes the Christmas decorations at the Government House. The current budget of \$150,000 covers the light park in Tumon. The additional \$82,000 will fund the lighting along the medians in Tumon. Lights will be added to medians with high visibility where possible, as some medians do not have electrical capabilities. The team is trying to find a solution for those medians. Director Shinohara asked what is being done to encourage property owners in Tumon to decorate during the holidays. Destination Specialist Doris Ada mentioned that we reach out to them with letters. Director Nault suggested that we start a contest for best holiday decorations. Vice Chairman Mesa said this should be discussed with the Membership and Community Outreach Committee, as this is a membership driven initiative.
- o Chairman Morinaga asked who maintains the landscaping surrounding the Chief Quipuha statue in Agana because it needs work. Director Hofmann stated that the National Guard adopted it. Marketing Manager Nadine Leon Guerrero said that she would discuss this with the adjutant general.

Director Hofmann made a motion, seconded by Director Jackson, to accept the Destination Management Committee FY2018 budget as presented by the DMC Chairman in Attachment A.

**Motion approved**

- Vice Chairman Mesa gave an update on the current DMC projects. As of today, 28 streetlights have been fixed out of the 331 that need repairs. This project should be done in August. Two bus shelters are currently under construction. Barring any weather delays, all shelters should be completed by July.
- Chairman Morinaga suggested that the team develops a list of rules and regulations regarding signage in bus shelters.

## VI. REPORT OF THE BOARD COMMITTEES

### A. EXECUTIVE COMMITTEE

#### HUMAN RESOURCES CONSULTANT SERVICES

Vice Chairman Mesa made a motion, seconded by Director Jackson, to ratify Executive Committee's approval to ratify the actions of the President and CEO as Chief Procurement Officer to enter into negotiations and contract with the successful offeror for GVB RFP 2017-001: Human Resources Consultant Services.

**Motion approved**





**Background:** The Guam Visitors Bureau (GVB) issued a Request for Proposal (RFP) for a Human Resources Consultant; specifically, to conduct a Human Resource audit; perform a Compensation/Benefits study; review and revise existing job descriptions as needed; design recruiting, selection and orientation programs; review existing human resources infrastructure, make recommendations and strategies for new and improved processes, programs and HR practices; develop performance appraisal process and provide necessary training; identify areas for improvement of Employee Relations; develop an Employee Handbook; provide ongoing HR support and identify local workforce growth, market trends and its correlation to GVB's human resources needs.

**Issue:** Board approval required.

- Acting President Muna stated that GVB's current employee handbook was adopted by the board of directors in 2001/2002 as an interim policy. The project named in this motion was brought forth by the 2016 board of directors. Director Shinohara added that the current rules and regulations GVB abides by were adopted from the Department of Administration. However, as it was recently determined that GVB employees are not Government of Guam employees, a new set of rules and regulations needs to be set forth to govern employment at GVB.
- Vice Chairman Mesa asked if employees are entitled to go through the Civil Service Commission (CSC) procedure. Acting President Muna said in terms of appeals, yes, but for other reviews by CSC, no.
- Acting President Muna noted that the board will have the opportunity to review the new rules and regulations. Furthermore, as this will be an official policy, the board will have to officially adopt the rules and regulations.
- Chairman Morinaga asked that for all projects moving forward, management shares the contract terms and conditions with the board prior to signing. Acting President Muna stated that we follow the government procurement process. A provision in the law states that procurement cannot be discussed until after a contract is signed. He reassured Chairman Morinaga that the terms and conditions of a contract are laid out in the law so they are standard across all contractors at GVB. A contract period lasts for one year with two options to renew.
- Regarding this particular motion, Acting President Muna reported that this contract has already been signed. Due to an oversight, the motion was not placed on the last board meeting agenda for board approval (this occurred for two other motions on the agenda: Cleaning and Maintenance Services and Tumon Bay Lighting Improvement Project). In order to start paying invoices, the board needs to approve the motion. The board was in agreement that the team needs to make an effort to ensure that this does not happen again. Vice Chairman Mesa feels management should address this oversight internally.
- Director Jackson expressed his concern about sending motions to the Executive Committee when there is no urgency. Chairman Morinaga added that the Executive Committee should not be utilized for motions that are not time sensitive.

## B. VISITOR SAFETY & SATISFACTION

### VISITOR SAFETY & SATISFACTION

Director Hong made a motion, seconded by Director Hofmann, to approve authorization of the President and CEO as Chief Procurement Officer of GVB to negotiate, and if successful, contract with the highest-ranking qualified Offeror in response to GVB RFP 2016-017, VIP VIDEO PRODUCTION.

**Motion approved**



**Background:** The GVB seeks a qualified individual or company to produce video modules that will provide small “bite size” videos of 2-3 minutes that can be made available through an online portal. This will be viewed online via streaming video that will make accessible and convenient for tourism industry employees, many of whom may not have the time and/or resources to attend, in person, classes or to complete multi-year certifications programs due to heavy work schedules, multiple jobs and familial obligations. This library of custom-made tutorial videos and training for employees shall be accessed from a computer, tablet, or smart phone. This approach will also facilitate cost effective remedial training for Guam’s 18,000 hospitality workers in a manner that would be nearly impossible to accomplish in a traditional classroom environment.

Additionally, since the purpose of the video modules is educational and instructional, the GVB will expect features that engage learners and facilitate the acquisition of knowledge and skills. Note that target audience may not possess academic qualifications beyond a GED and may not have prior exposure to or experience with computer technology.

The GVB expects that the video modules will follow a coherent design that reflects a consistent framework and establishes a professional yet creative and engaging tone.

**Issue:** Board approval required.

- This project was started last year. The first phase was the curriculum, which has been completed. This motion is for phase 2 (video production). We are working in tandem with GHRA on this project.

**C. CULTURAL & HERITAGE**

- o Director Hofmann reported that the Guam Micronesia Island Fair (GMIF) begins next week and he encouraged all members to attend.

**D. SPORTS & EVENTS**

- o Acting President Muna reported that we will not be changing the name of the Koko Road Race (KKRR) this year. The event will be held in Agana this year.

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

**CLEANING AND MAINTENANCE SERVICES**

Vice Chairman Mesa made a motion, seconded by Director Jackson, to ratify the actions of the President & CEO as Chief Procurement Officer of GVB to enter into a contract with the lowest responsible and responsive bidder for GVB IFB 2017-005 Cleaning and Maintenance Services.

**Motion approved**

**Background:** This service is necessary for the cleaning and maintenance of the GVB office, Monday – Saturday; with contingencies for special events and additional requests as needed, subject to GVB approval. Project consists of furnishing all necessary labor, materials, equipment, tools and service, utilizing GVB supplied materials.

**Issue:** Board approval required.

- As this is an IFB, there was no negotiation step but similar to the Human Resources Consultant Services motion, the contract was signed without board approval.





F. DESTINATION MANAGEMENT

TUMON BAY LIGHTING IMPROVEMENT PROJECT

Vice Chairman Mesa made a motion, seconded by Director Hofmann, to ratify the actions of the President & CEO as Chief Procurement Officer of the Bureau to enter into a contract with the lowest responsible bidder for the Tumon Bay Lighting Improvement Project, Phase II. Project is specifically for major repairs and installation of missing streetlight poles.

Motion approved

**Background:** San Vitores Road continues to experience inadequate lighting, compromising the safety of our residents and visitors. Phase II Installation will make major repairs to remaining inoperable lights in order to make our streets safer and more enjoyable.

**Issue:** Board approval required for the Tumon Bay Lighting Improvement Project.

G. GREATER CHINA

TAIWAN MARKET MOTION

Director Shinohara made a motion, seconded by Director Hofmann, to approve travel for GVB Chairman and GVB President & CEO to travel to Taiwan to meet with EVA Air, Kaohsiung City Government officials and participate in GVB sales seminar in Kaohsiung, Taiwan from May 14-18, 2017. Cost is approximately \$5,610.00 to be taken from Taiwan market account no. TA-SMD-023.

Motion approved

Airfare	\$1,200.00 x 2					\$2,400.00
			Lodging	M&IE	Pax	
Per Diem	BOD Chairman President & CEO	Taipei	\$212.50 x 4 nights = \$850.00	\$127.50 x 4 days = \$510.00	2	\$2,720.00
		Kaohsiung	\$150.00 x 1 night	\$95.00 x 1 day	2	\$490.00
		TOTAL:				

**Background:** As part of GVB's ongoing efforts to lobby for direct air service from Kaohsiung to Guam, GVB has enlisted the services of the American Institute of Taiwan's Gold Key Service to arrange high-level meetings with Kaohsiung City Government officials and aviation entities to continue its push. GVB in cooperation with AIT will also host a Guam Product Seminar to elevate awareness. Taiwan is Guam's third largest market with two airlines servicing the Guam route out of Taipei (China Airlines and EVA Air). There is great potential to reach market share from southern Taiwan however, due to the inconvenient flight structure with both airlines, it is a challenge to attract Guam from this region. Having direct service would certainly create more opportunities in Taiwan.

In addition, there is market Intel that EVA Air has plans to discontinue service to its Guam route that GVB is currently monitoring. While there is no confirmation yet, GVB is setting plans to engage in efforts to prevent this from happening. This travel authorization is therefore critical for this endeavor.





Issue: Board approval needed for all travel.

H. JAPAN

Committee minutes dated April 11, 2017

Exhibit C

- o Director Murata reported that the next JMC meeting will be on May 9.
- o He then reported on the United Airlines Kansai flight schedule change. There is no change to the Guam to Kansai morning flight. For the evening flight, there will be a change on four days out of the week. On those days, the departure time out of Guam will be at 3am. The departure time out of Kansai will be at 7am. Chairman Morinaga is concerned that those who live outside of Osaka will have a difficult time getting to their airport that early in the morning if they rely solely on public transportation. Director Shinohara said he would provide an update to the board at a later time.
- o Vice Chairman Mesa said this is something that needs to be considered when discussing the FY2018 budget for Japan. He feels that we need to work with all airlines with flights from Japan to Guam to find solutions. He is even more concerned now because we are being recognized with the President's "E" Award for the work we have done as part of the Tourism 2020 plan, but we are below our target arrivals for Japan that was set forth in that plan. Chairman Morinaga reassured Vice Chairman Mesa that he is taking the Japan situation very seriously. Director Jackson stressed that this is not a GVB problem, this is a team Guam problem. This is not a problem that GVB can resolve alone. GVB, GIAA, and GEDA need to work together and take a comprehensive approach to win back the Japan market.

I. KOREA

Committee minutes dated April 11, 2017

Exhibit D

- o Vice Chairman Mesa feels we need to be conscientious about the current events in Korea and globally. Director Shinohara stated that the FAA and airlines for America put out a call for action plans in case something happens. There is potential to shut down air travel but that is contingent upon what happens and when it happens.

J. MEMBERSHIP & COMMUNITY OUTREACH

K. NORTH AMERICA & PACIFIC MARKETS

Committee minutes dated April 5, 2017

Exhibit E

Director Hofmann made a motion, seconded by Director Jackson, to approve travel for the GVB President and CEO and Director of Global Marketing to attend the 2017 President's "E" Award Ceremony in Washington DC from May 20 - 23, 2017. Travel cost is approximately \$11,500.00; Acct. #US-SMD023)

- Vice Chairman Mesa stressed that we need to prioritize our work here first. There are other issues that may need immediate attention. He suggested amending the motion in the event that the President & CEO is not able to attend.

Director Hofmann made a motion, seconded by Vice Chairman Mesa, to amend the aforementioned motion as follows:



Motion to approve travel for the GVB President and CEO or his designee and Director of Global Marketing to attend the 2017 President's "E" Award Ceremony in Washington DC from May 20 - 23, 2017. Travel cost is approximately \$11,500.00; Acct. #US-SMD023)

Motion passed as stated and amended

Airfare (\$4,000 x 2 pax)	\$8,000.00
President & CEO Lodging (\$242 + 25% x 4 nights)	\$1,210.00
President & CEO M&IE (\$69 + 25% x 5 days)	\$431.25
Dir. of Global Marketing Lodging (\$242 x 4 nights)	\$968.00
Dir. of Global Marketing M&IE (\$69 x 5 days)	\$345.00
Miscellaneous (transportation, communication, excess baggage, etc.)	\$545.75
TOTAL	\$11,500.00

**Background:** The Guam Visitors Bureau (GVB) has been selected to receive the prestigious President's "E" Award. The award was created by Executive Order of the President of the United States to afford suitable recognition to persons, firms, or organizations, which contribute significantly in the effort to increase United States exports.

GVB is one of a few who have been selected to receive the President's "E" Award. This year, thirty-two companies and organizations have been selected to receive the President's "E" Awards and "E" Star Awards for Exports and Export Service.

U.S. Secretary of Commerce, Mr. Wilbur Ross, stated on his award letter to GVB on March 28, 2017, "The Guam Visitors Bureau has demonstrated a sustained commitment to export expansion. The 'E' Awards Committee was very impressed with the Guam Visitors Bureau's Tourism 2020 strategic plan development and engagement, which resulted in exceptional year-over-year growth in tourism to Guam. The organization's innovative and broad-reaching program to capture larger segments of the Chinese tourism market was also particularly notable. The Guam Visitors Bureau's achievements have undoubtedly contributed to national export expansion efforts that support the U.S. economy and create American job."

The ceremony will involve a reception on Sunday, May 21, 2017 followed by the formal ceremony on Monday, May 22, 2017 at the Department of Commerce Headquarters, Herbert C. Hoover Building in Washington DC.

Issue: Board approval required.

L. RESEARCH

M. RUSSIA & NEW MARKETS

Committee minutes dated April 4, 2017

Exhibit F

VII. OLD BUSINESS

VIII. NEW BUSINESS

IX. EXECUTIVE SESSION







X. ANNOUNCEMENTS

Upcoming Board Meetings:

- o Thursday, May 11, 2017 at 3:30pm, GVB Main Conference Room
- o Thursday, May 25, 2017 at 3:30pm, GVB Main Conference Room

Announcements:

XI. ADJOURNMENT

Director Shinohara made a motion, seconded by Director Hofmann, to adjourn the meeting. Meeting adjourned at 5:00pm.

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 Karida Brennan, Executive Secretary



**Action Items:**

1. VSS Committee to find solution for lighting issue along beaches
  - o Lighted sidewalks
  - o Lights provided by hotels, but not projected over water
2. Assignment of the Chairperson for the Administration and Government Relations Committee
3. Management to look into drafting rules and regulations for signage in bus shelters