



Guam Visitors Bureau
Setbision Bisitan Guahan

February 13, 2006

Committee on Finance, Taxation and Commerce
Office of Finance and Budget
Date Rcv'd: 02/13/06
Time: 4:43 pm
Rcv'd by: PSW
Print Name: Rose SN

Senator Edward J. B. Calvo
Chairman, Committee on Finance, Taxation and Commerce
155 Hesler Place
Hagåtña, Guam 96910

RE: FY 2007 Budget

Hafa Adai Senator Calvo:

The Guam Visitors Bureau is pleased to submit herewith 20 copies of its proposed budget for Fiscal Year 2007. An electronic file copy is also available, and will be made available to you. This budget was reviewed and approved by the Bureau's Board of Directors on February 9, 2006.

A healthy and vibrant visitor industry generating business opportunities and employment for all residents, while protecting our heritage, cultural values, and natural resources, are central to the Bureau's vision in making a positive contribution to the quality of life for all Guam residents.

As a public corporation, the Bureau's operational focus in growing and diversifying visitor arrivals will be to:

1. Create the reasons to visit Guam;
2. Attract the right customers to maximize social and economic benefits; and
3. Provide a destination experience second to none.

In facilitating these objectives, the Bureau's organizational goal is to restore the 1997 visitor arrivals record of 1.3 million in a competitive and cost sensitive business environment. Specific marketing and program objectives are detailed in the marketing and destination management sections of the budget document, but all conform to the two objectives of:

1. Driving volume visitation that will sustain the invested capacity in Guam's tourism plant and services infrastructure; and



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2. Creating opportunities that will maximize visitor destination yield, visit duration, and market diversification.

Hotel occupancy taxes are forecast to be about \$23.2 million in FY2007, following modest improvements in visitor arrivals and average room rates. This TAF revenue estimate is enough to cover the \$7.4 million annual bond payment, leaving a sufficient balance to cover \$15.7 million in planned expenditures for destination development, marketing, and improvements.

We look forward to discussing details of our budget submission, and trust that you will find the alignment of our programs and expenditures to be in order.

Sincerely,

Gerald S.A. Perez
General Manager

cc: Senator Antonio R. Unpingco
David Tydingco, Chairman of the Board of Directors

FY 2007 Budget Digest
Fiscal Year Ending September 30, 2007

Department/Agency: GUAM VISITORS BUREAU Division: Overall Section: _____

Object Classification	A FY 2005 Expenditures & Encumbrances	B FY 2006 Authorized Level**	C FY 2007 General Fund	D Governor's Request FY 2007 Federal Match	E FY 2007 Other Fund**	F FY 2007 Total Req. (C+D+E)
Personnel						
Regular Salary	\$1,100,420	\$1,146,667			\$1,149,425	\$1,149,425
Increment	\$0	\$0			\$0	\$0
Night/Other Differ.	\$0	\$0			\$0	\$0
Overtime	\$0	\$0			\$0	\$0
Retirement	\$228,997	\$250,088			\$250,690	\$250,690
Medicare	\$13,996	\$14,534			\$14,865	\$14,865
Life Insurance	\$4,571	\$4,418			\$5,044	\$5,044
Medical Insurance	\$67,605	\$52,022			\$50,083	\$50,083
Dental Insurance	\$6,536	\$4,605			\$4,765	\$4,765
DC Insurance	\$3,721	\$5,459			\$5,459	\$5,459
Supplemental/Cola/ERIP	\$11,626	\$19,320			\$11,625	\$11,625
Total Salaries & Ben.	\$1,437,472	\$1,497,112	\$0	\$0	\$1,491,956	\$1,491,956
Travel and Trans.						
Local mileage reimb.						\$0
Off-island travel *	\$0	\$0			\$0	\$0
Total Travel & Trans.	\$0	\$0	\$0	\$0	\$0	\$0
Contractual Services*	\$11,220,586	\$9,731,285			\$10,641,875	\$10,641,875
Office Space Rental	\$0	\$0	\$0	\$0	\$0	\$0
Supplies & Materials *	\$10,000	\$10,000	\$0	\$0	\$10,000	\$10,000
Equipment *		\$0			\$0	\$0
Miscellaneous *	\$1,196,595	\$1,457,095	\$0	\$0	\$2,107,000	\$2,107,000
Utilities						
Power	\$42,000	\$47,243			\$47,243	\$47,243
Water/Sewer	\$6,000	\$14,000			\$14,000	\$14,000
Telephone	\$21,600	\$21,600			\$21,600	\$21,600
Toll Call/Facsimile	\$35,520	\$35,520			\$35,520	\$35,520
ISDN Interface charge	\$0	\$0			\$0	\$0
Internet Provider Services	\$0	\$0			\$0	\$0
Total Utilities	\$105,120	\$118,363	\$0	\$0	\$118,363	\$118,363
Capital Outlay *	\$49,961	\$20,000			\$50,000	\$50,000
Sub-Total	\$14,019,732	\$12,833,855	\$0	\$0	\$14,419,194	\$14,419,195
Tourist Attraction Fund (TAF)	\$1,570,000	\$1,300,000			\$1,300,000	\$1,300,000
GRAND TOTAL	\$15,589,732	\$14,133,855			\$15,719,194	\$15,719,195
Full Time Equivalent	(FTEs) Filled/Vacant/New					
Unclassified	4/0/0	4/0/0			4/0/0	4/0/0
Classified	19/7/0	25/0/0			25/0/0	25/0/0
Total FTEs	23/7/0	29/0/0			29/0/0	29/0/0

* See corresponding Schedules for details

** Specify Fund = Tourist Attraction Fund

Schedule B - Contractual (Overall)
Fiscal Year Ending September 30, 2007

Item	Quantity	Unit Price	Total Price	Item funded in FY 2006?	
				yes	no
General Administration	1	\$1,018,875	\$1,018,875	X	
Research	1	\$373,000	\$373,000	X	
Int'l Marketing-Pacific	1	\$150,000	\$150,000	X	
Int'l Marketing-Asia	1	\$2,025,000	\$2,025,000	X	
Int'l Marketing-North America/Armed Forces	1	\$275,000	\$275,000	X	
Japan Operations	1	\$6,800,000	\$6,800,000	X	
Total Contractual		\$10,641,875	\$10,641,875		

Schedule C - Supplies & Materials

Item	Quantity	Unit Price	Total Price	Item funded in FY 2006?	
				yes	no
Various supplies & materials	1	\$10,000	\$10,000	X	
			\$0		
			\$0		
			\$0		
			\$0		
Total Supplies & Materials			\$10,000		

Schedule D - Equipment

Item	Quantity	Unit Price	Total Price	Item funded in FY 2006?	
				yes	no
			\$0		
			\$0		
			\$0		
			\$0		
			\$0		
Total Equipment			\$0		

Schedule E - Miscellaneous

Item	Quantity	Unit Price	Total Price	Item funded in FY 2006?	
				yes	no
Staff Development	1	\$5,000	\$5,000	X	
Postal Services	1	\$10,000	\$10,000	X	
Dues & Assessment	1	\$42,000	\$42,000	X	
Air Route Development	1	\$500,000	\$500,000		X
Cultural & Heritage	1	\$500,000	\$500,000	X	
TIR/Visitor Satisfaction	1	\$350,000	\$350,000	X	
Community Development	1	\$200,000	\$200,000	X	
Sports Tourism	1	\$500,000	\$500,000		
Total Miscellaneous			\$2,107,000		

Schedule F - Capital Outlay

Item	Quantity	Unit Price	Total Price	Item funded in FY 2006?	
				yes	no
Computer Maintenance & Upgrade	0	\$50,000	\$50,000	X	
Networking	0	\$0	\$0		
Web site Maintenance	0	\$0	\$0		
Accounting Automation	0	\$0	\$0		
Total Capital Outlay			\$50,000		

PROPOSED FY2007 (DIM) SPECIAL PROJECTS

1. **Tumon & Agaña Beach Cleaning and Maintenance** **\$300,000.00**
 Five (5) days a week beach clean-up and daily trash pick-up from Gun Beach to East Agaña Beach across Citibank.

Beach cleaning/maintenance	\$ 250,000
Project management/quality control	50,000
Other contingencies to cover expenses, specifically anti-littering, trash receptacle stickers/signage, post-natural disaster clean-up and other related costs	

2. **Tumon Landscaping Maintenance** **\$400,000.00**
 Five days a week landscaping/ days trash pick-up and regular water blasting of sidewalks along San Vitores Blvd. up to the Bishop Flores Rotunda, including the median islands, GVB office, the three major intersections leading to the hotel row (Westin Resort-Horizon Condo, Marriott Hotel-JFK, and Hilton-Ypao Road). The quality and quantity of plant/tree materials for both the recently completed Tumon Redevelopment Project – Phases 2 and 1 - together with the new hardscapes, have substantially changed, consequently, increasing maintenance costs, to include water consumption and plant replacements.

\$24,167/month x 12 mos.	\$290,000.00
Contingency expenses such as plant replacements, post-typhoon cleanup, irrigation repair, hardscapes repair/maintenance, project management, etc.	45,200.00
Water consumption \$600/month x 9 locations x 12 months	64,800.00

3. **Islandwide Roadways Beautification & Maintenance** **\$350,000.00**
 To address serious concerns based on exist surveys and meetings with off island tourist industry officials relative to the aesthetics and cleanliness of the island, the Bureau has furthered its efforts to address the issue by partnering with the Department of Public Works to beautify and upkeep islandwide roadways. The project's scope will include planting of shrubs/trees on roadway medians and sidewalks and regular maintenance thereafter. This is the project's third year, and, again, its actual cost will be shared on a 50/50 basis with DPW. Implementation of this project will undoubtedly help Guam remain a competitive and attractive tourist destination.

4. **Tumon Holiday Illumination** **\$100,000.00**
 This requested funding would be used to illuminate and provide holiday entertainment along hotel row, including Ypao Park, and Governor Camacho Road during the Christmas season. This project is in line with the Bureau's efforts to attract more visitors and make their visit fun, enjoyable and festive. Similarly, this project will undoubtedly be most welcomed by our local residents as well.

Committee on Finance, Taxation and Commerce
 Office of Finance and Budget
 Date Rcv'd: 02/22/06
 Time: 3:25pm
 Rcv'd by: HP
 Print Name: Lanette Perez.

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5. **Island Village Beautification**

\$100,000.00

The project will focus on beautifying highly visible areas in the various villages that are frequently visited and generally included in the tourists' scenic route through a program that will be open to each village. Financial assistance will be awarded to successful villages each year by categories (Northern-Central-Southern) to spread the financial aid across small, medium, and large population villages. To ensure fair participation by more villages, the successful awardees will not be eligible for application for the following year. The project will be pursued jointly in cooperation with the Guam Municipal Council, Guam Beautification Task Force, and Dept of Agriculture, which will assist in supplying the needed plant materials/trees. Payment of the awarded financial aid will be done in increments or spaced through the year (a period of 12 months) to ensure maintenance and upkeep of the beautification project. The program and the successful projects will be promoted in the media to raise public and visitor awareness and participation in the island wide effort to make and keep Guam clean, pleasant, and beautiful.

6. **Guam Museum**

\$ 50,000.00

GVB will continue to augment the efforts of The Guam Museum Facilities Construction and Cultural Heritage Rehabilitation Task Force, established by executive order on April 28, 2005Guam Museum Task Force, to build a permanent Guam Museum. Projects for FY2007 will focus on public awareness and support, and education campaigns including: (1) Museum Exhibits and Displays; (2) Community Outreach and Education Programs; and (3) Public Input Program for the Selection of Winning Museum Conceptual Design. The contractor and construction award and official groundbreaking, is targeted for years end 2006 with construction to begin in the year 2007. GVB will also use the museum project as a forum to engage our residents' and visitors' awareness and commitment to preserving and protecting the unique and diverse cultural heritage of Guam.

Grand Total - - - - -

\$1,300,000.00