

GUAM COMMUNITY COLLEGE FOUNDATION

Board of Governors Meeting of July 30, 2021

(via Zoom)

MINUTES

I. CALL TO ORDER. The GCC Foundation Board of Governors meeting of July 30, 2021, was called to order at 12:05 p.m., by Ms. Lorraine Okada, Chairperson. The meeting was held via Zoom.

1. Roll Call

Members Present: Ms. Lorraine S. Okada; Mr. Gerard A. Cruz; Ms. Josephine L. Mariano; Mr. James A. Martinez; Mr. Eduardo R. Ilao; Mr. Eloy Lizama; Ms. Narlin Manalo; Frank P. Arriola; Ms. Carline Bukikosa; Dr. Mary A.Y. Okada, President.

Schedule Conflict: Ms. Annmarie Muna.

Others in attendance: Dr. Virginia Tudela, Vice President, Academic Affairs Division; Ms. Bonnie Datuin from the office of Development & Alumni Relations represented Mr. John Dela Rosa; Representatives from the Office of Raymond James: Mr. Daniel Roland; Ms. Amanda Gima.

2. Recital of Mission Statement. Board members recited the Mission Statement: Guam Community College is a leader in career and technical workforce development, providing the highest quality, student-centered education and job training for Micronesia.

II. APPROVAL OF MINUTES - Meeting of April 16, 2021

MOTION

IT WAS MOVED BY MS. JOSEPHINE MARIANO, SECONDED BY MR. EDUARDO ILAO, THAT THE BOARD APPROVE THE MEETING MINUTES OF APRIL 16, 2021. NONE OPPOSED, MOTION CARRIED. (Voting: 8 ayes, 0 nays)

III. COMMUNICATIONS. *None at this time.*

IV. REPORTS

1. President's Report. The President reported the following:

Capital Improvement Projects and other activities:

The College has been receiving all monies on a timely basis per the allotment schedule. To date, the College has received 93% of its appropriation as requested.

The President informed the Board that based on the Federal funds received to date, some funds were made available directly to the students. The College received a half a million dollars in the Spring of 2020 and another half a million dollars in Spring 2021. Most recently, \$2.8 million was received right after Spring 2021 for students, which will be allocated throughout the academic year.

For institutional support, a half a million dollars was received; then a million dollars; and then 3 million dollars was just received. The College just received notice that it will be receiving additional funds and not sure what it is allocated for. These are CARES funding 1 and 2 to include the institutional relief fund and the American Rescue Plan (ARP).

Another relief plan is being discussed by the Federal government that deals with infrastructure and tuition but is still being worked on.

The College also received a half a million dollars from the Governor's Office called ESF funding, which is a rebate to students for technology fees that they are currently being charged.

Anticipate the College to receive a \$2 million grant for the renovation of Building B. The design for this project is 100% complete and will be going out to bid soon.

The College is under an environmental review to receive \$1.2 million for the Barrigada facility renovation.

A \$5-\$10 million grant is currently being worked on through an invitation for the College to apply.

The financial feasibility study needed for the Workforce Development Center is complete and documents will be forwarded to the Foundation Chair for signature.

This feasibility study will also be submitted to the USDA to finalize the documents required for a \$7 million loan for the Wellness Center.

Due to the 314 acres of land that the College was given but the Government returned to the original landowners, a request was submitted to the Governor's Office for the Mangilao property that was the Public Health and Social Services facility. A bill was drafted to this effect to transfer approximately 10 acres of land.

In the meantime, Land Management will be conducting a survey and title search. The College will be meeting with the Governor's Office, who are in support of this project. The project will be an updated/expanded nursing facility training center. There is also the possibility of a daycare facility adjacent to this which will mainly support the students. A conceptual design was submitted with this proposal. Because the proposed property transfer does not equal the 314 acres, other properties are being considered for future expansion.

Boot camps are ongoing every week and the President reported the following: Completed a ship repair, truck driving, IT, medical code & billing boot camps; ship repair #4 and the home

healthcare is almost complete; a half a million dollars grant was received from the Department of Interior for 4 additional construction trades boot camps.

The President also reported the following:

There are two proposed bills going before the Guam Legislature pertaining to GCC. One bill is proposing GCC to receive \$7 million dollars as part of the Legislature's recommendation to the Governor to spend some with the ARP funds; and a second bill for another \$7 million dollars proposing for GCC to receive under the Section 30 fund.

Another bill is being drafted to establish a scholarship office at the College, as well as managing it. This office is for individuals who want to become doctors.

There are plans to open the campus for the Fall semester. In an effort to increase enrollment, the campus has been opened on Saturdays to provide opportunity for potential students to enroll. The employees have been accommodating knowing this is important.

The College anticipates two ribbon cutting ceremonies before the end of this year and one groundbreaking during the early months into 2022. Two buildings are almost done with renovations and three buildings are planned for the next construction projects, which does not include the proposed additional Mangilao facility.

Board of Trustees Chairman Frank Arriola mentioned that he and the President have been recently communicating regarding the number of employees that are planning to retire. The College plans to hire employees that will transition into these positions going into a one-year period. The Foundation Chair understands that hiring will be a challenge and that transitioning employees is important.

2. Capital Improvement Projects (CIP). *As previously mentioned.*

3. Investment Reports & Updates. Mr. Daniel Roland from the Office of Raymond James provided a report, with the assistance of Ms. Amanda Gima, as follows:

Presentation from "Monthly Strategy Snapshot" for July 2021, and an update was provided with the "Interim Unaudited Performance & Asset Allocation Status" as of Market Close on July 28, 2021, which were previously provided electronically.

Discussions were performance on Core, High Yield and the Global Fixed Income.

The Fixed Income across the managers, except Garcia Hamilton were not reaching their benchmarks. A search for managers for Core Fixed Income and High Yield was requested, and as an alternative unhedged Global Fixed Income option was also requested.

A rebalancing was recommended due to equities in the portfolio being overweight.

As reported during the last meeting, a Board of Trustees Resolution was being considered and has been adopted to move \$2 million from the GCC accounts to the Foundation to support its investments for a better return. These are restricted funds and will be transferred to the Foundation today.

4. Giftgiving Campaign Sub-Committee Reports.

The President reported, as follows:

Capital & Major Giving.

Annual Giving and Events.

Planned Giving. During the last Foundation Board meeting, the Chairperson encouraged 100% participation from the Foundation Board for the employee workplace giving campaign. There is a challenge for the GCC Board of Trustees to also participate 100%. At this time, Ms. Bonnie Datuin from the GCC Development & Alumni Relations office reported that to date, 24% participated. There are 4 participants from the FBOG and have yet to receive from the BOT. The BOT Chair requested Ms. Datuin to send out reminders to the BOT members and the same will be done for the FBOG members.

Scholarships & Endowments.

V. UNFINISHED BUSINESS. *None at this time.*

VI. NEW BUSINESS.

1. Barrigada Property (“Workforce Development Center”). A GCC Foundation Board Resolution No. GCCF2-2021, “Sale of the Workforce Development Center to the Guam Community College” was presented to the Board for consideration.

The Workforce Development Center (“WDC”) located in Barrigada, Guam, is currently owned by the GCC Foundation Board. GCC applied for a grant with the U.S. Economic Development Administration to renovate the WDC. In order to qualify for the loan, GCC would have to be the owners of the Barrigada facility.

Through a GCC Board of Trustees Resolution 12-2021 that was approved on July 7, 2021, the College was authorized to purchase the Barrigada facility. The intent of the Foundation Resolution No. GCCF2-2021, is to authorize the sale of the WDC with all assets to GCC for the amount of \$1.2 million and not to exceed \$1.5 million.

For record purposes, the Foundation Treasurer requested for the Board Minutes to include how the purchase amount for the resolution herein was determined. The President then reported the following:

The Barrigada property was purchased for \$1.2 million and was not offered for sale with the same amount.

The President reported that she sought the advice of Mr. Daniel Roland for a recommended amount keeping in mind the purchase price for the Barrigada property. She asked Mr. Roland if GCC still had the \$1.2 million, what would be the estimated value the Foundation would have received if the \$1.2 million was still being invested. Mr. Roland then provided an analysis based on this by months. He took the amount that the Foundation would have earned, minus the amount of rental income the Foundation would have received from November 2019 through June 2021, which amounted to \$1.5 million.

The President then explained that the purchase amount was left blank on the proposed resolution herein because she was unsure what amount the Foundation would have wanted especially after this analysis.

Vice Chairman Gerard Cruz asked if there are any tax implications and was informed by the President there was none, however, the President will contact Deloitte to research this further.

The President also sought the advice of Ms. Siska Hutapea (commercial real estate appraiser) for a calculated value for the Barrigada property. Ms. Hutapea asked what it would cost to construct a new facility on the property. The building is currently 8,000 square feet and construction at \$150 per square foot would amount to \$1.2 million, just for the building. That \$1.2 million to \$1.5 million is a good amount.

The President also mentioned that when the USDA loan is approved, renovations would raise the value for the Barrigada property closer to \$2 million.

Vice Chairman Gerard Cruz asked if there is a tax assessed value on the property. The President informed the Board that it is \$800,000. Vice Chairman Cruz then suggested that the purchase amount in the resolution should state, "\$1.2 million up to \$1.5 million." The Board members agreed this recommendation is a fair purchase amount. A motion was then made, as follows:

MOTION

IT WAS MOVED BY MR. GERARD CRUZ, SECONDED BY MS. JOSEPHINE MARIANO, THAT RESOLUTION NO. GCCF2-2021, "SALE OF THE WORKFORCE DEVELOPMENT CENTER TO THE GUAM COMMUNITY COLLEGE," IS HEREBY ADOPTED, AND THAT THE PURCHASE AMOUNT ON THE RESOLUTION SHOULD STATE "THE AMOUNT OF \$1.2 MILLION AND NOT TO EXCEED \$1.5 MILLION." NONE OPPOSED, MOTION CARRIED. (Voting: 8 ayes, 0 nays)

For record purposes, Foundation Secretary James Martinez voted in favor of Resolution No. GCCF2-2021.

VII. NEXT MEETING – The next quarterly Foundation Board meeting will be scheduled in October 2021.

VIII. ANNOUNCEMENTS.

IX. ADJOURNMENT.

MOTION

IT WAS MOVED BY MR. GERARD CRUZ, SECONDED BY MS. JOSEPHINE MARIANO, THAT THE BOARD ADJOURN THE MEETING OF JULY 30, 2021. NONE OPPOSED, MOTION CARRIED. (Voting: 8 ayes, 0 nays)

There being no further discussion, the meeting of July 30, 2021, was adjourned at 1:15 p.m.

Submitted by:

 **OCT 29 2021**
BERTHA M. GUERRERO
Recording Secretary

Approved by:

 **OCT 29 2021**
LORRAINE S. OKADA
Chairperson