

GUAM COMMUNITY COLLEGE FOUNDATION
Board of Governors Meeting of February 22, 2011
GCC President's Conference Room

MINUTES

The GCC Foundation Board of Governors meeting of February 22, 2011 was called to order at 12:05 p.m., by Chairperson Ms. Lorraine S. Okada. The meeting was held in the President's Office Conference Room, Guam Community College Student Services & Administration Building.

I. CALL TO ORDER

1. Roll Call

Members Present: Ms. Lorraine Okada, Mr. Gerard A. Cruz, Mr. James J. Martinez, Ms. Josephine L. Mariano, Mr. Eduardo R. Ila, Ms. Annmarie Muna

Not in attendance: Ms. Gina Y. Ramos (schedule conflict), Mr. Eloy Lizama (schedule conflict), Mr. Joseph B. Leon Guerrero (off island).

Others in attendance: Dr. Mary A.Y. Okada, President, Dr. Ray Somera, Vice President, Academic Affairs Division, Mr. Edwin Limtuactco, Controller, Finance & Administration, Ms. Lolita Reyes, Assistant Director, Development & Alumni Relations, Ms. Jayne Flores, Assistant Director, Communications & Promotions, Mr. Jason Miyashita, Morgan Stanley Smith Barney Consulting Group.

2. Recital of Mission Statement

Board members recited the Mission Statement: *The mission of the Guam Community College is to be a leader in career and technical workforce development by providing the highest quality education and job training in Micronesia.*

II. APPROVAL OF MINUTES - Meeting of December 29, 2010

MOTION

IT WAS MOVED BY MR. JAMES MARTINEZ, SECONDED BY MS. ANNMARIE MUNA, THAT THE BOARD APPROVES THE MEETING MINUTES OF DECEMBER 29, 2010, SUBJECT TO CORRECTIONS. MOTION CARRIES UNANIMOUSLY. (Voting: 5 ayes, 0 nays)

III. COMMUNICATIONS - None to report.

IV. REPORTS

1. President's Report & CIP Projects Update

Financial Status of College: President Okada reported that the Government of Guam continues to struggle financially. With regard to GCC's FY2011 budget appropriations, the release of funds to the college is coming in very slow with \$627,000 just recently received. The Department of Administration is behind with its releases to the college of about \$4 million. Additionally, the college has about \$4 million of uncollected funds from the General Fund, \$189,000 uncollected from the LPN Program's Vocational Guidance Fund, and about \$1 million uncollected from the Manpower Development Fund (MDF).

Hay Study: Based on the Governor's Executive Order rescinding the Hay Study in its entirety, President Okada reported that yesterday was a very difficult day because all salary adjustments for staff and administrators were rolled back.

ARRA funded projects will continue to move forward. Currently, legal counsel is reviewing two bids and the final contracts for the Foundation Building renovation and the Photovoltaic parking lots.

Government of Guam Telephone Services: With regard to telephone services, President Okada noted that just recently she received an opinion from the Attorney General's office indicating that if a GovGuam agency has not gone out for telephone services in the last four years, then Government of Guam, as a whole, has to send all telephone services out to bid, because GTA is no longer sole source for telephone service. RFPs for all eleven (11) types of telephone services (e.g., VoIP, internet connection, land lines, etc) has already been submitted by Mr. Ed Cruz from the Bureau of Information Technology (BIT) and will be rolled out this week.

VoIP System: With regard to the VoIP System, President Okada noted that this matter has been in litigation for the last seven (7) month because of an affidavit of whom the shareholders were. Therefore, based on the AG's opinion, the college will now have this matter reviewed and handled by the Government of Guam.

GCC's 314 Acres of property: President Okada noted that the college now has a potential revenue generating source that will go directly into the Foundation and will not be used for operational costs of the college. She apprized the Board that the college is reviewing a proposal for the use of about 200 acres of GCC property for the price of \$1 million per annum, based on the benchmark for a fair market value.

With regard to the distinction between leasing and licensee, President Okada to have more discussions with legal counsel on the matter.

–Spring 2011 enrollment is up by 10% from last Spring 2010 with 2,359 students enrolled. Additionally, she shared that the academic vice president is currently working with the deans and department chairs on trying to find other ways and opportunities for the college to offer courses

outside of the traditional standard times of Monday-Wednesday, Tuesday-Thursday.

–Open Campus Day was held last week Friday, February 18, 2011. We had good publication and media coverage on the event that showcased GCC's programs.

GCC's 35th Anniversary: Our 35th Anniversary is slated for 2012! Preliminary discussions for this special event have already started.

\$3 million grant: The college submitted a \$3 million grant for the renovation of Buildings 100 and 200 and is just now pending approval. Other grants submitted are for Emergency Simulation Training and Crane Simulation Training.

Headquarters for Public Safety: President Okada noted that as a member of the Lieutenant Governor's subcommittee for Public Safety, discussions have taken place on creating a Headquarter for Public Safety. Currently, what is being considered is the possibility of using 50 acres of GCC property. She indicated that GCC's interest is should a Headquarter be created and a training facility is a requirement, that all required training needs to come through the Guam Community College. She explained if the Headquarters for Public Safety is developed as a training organization for all public safety and law enforcement entities, then it only makes sense that training come through GCC. She requested that a short-term and long-term strategic plan be developed so that all entities involved will be together and on the same page regarding the matter.

Standardizing the process of purchasing air-condition system units: The college is working on developing a standard for the purchasing of air-conditioning system units for purposes of faster replacement and maintaining an inventory of parts on campus. President Okada explained that the method of obtaining three price quotes, as required, brings different sizes, shapes, colors, brands, etc. Having a standardized system in place allows the college to purchase its air condition units faster and/or replace its units with inventory parts kept on campus.

–Peace Officer Standards & Training (POST): Senator Adolpho Palacios is working on a bill to establish the Peace Officer Standards & Training (POST) Commission and to give it back to GCC. The Commission allows the college, as the State Agency, to provide the administrative component for the POST Commission. The Commission consists of all law enforcement agencies who will be developing the certification standards for law enforcement individuals. In the past, the POST Commission was under the Guam Community College's Criminal Justice Department. However, because the college was teaching and conducting the training as well as verifying and certifying, it became an issue of concern. With the establishment of the Commission, the training will now be more formalized providing a standardized and more structured process in validating the certification.

Donations to Department of Youth Affairs (DYA) and the Department of Corrections (DOC): President Okada noted that the carpet stripped from the Foundation Building is being donated to the Department of Youth Affairs (DYA) along with some multimedia projectors, desks, stainless steel tables, and televisions. The Department of Corrections also will be given a 2002 diesel generator that

has not been utilized for the last ten years and is no longer feasible to support Building D.

Campus Landscape Upkeep: To help supplement the cost for maintenance and in the spirit to upkeep our campus grounds and landscape, Ms. Mariano made a suggestion to seek input from the various student clubs and organizations on the possibility of having an “Adopt an Area” program.

Energy Audit: Sodexco has completed the energy audit and a meeting with them is scheduled this afternoon to discuss an open bid for LED lights, SER air-conditioning equipment, etc.

2. Investment Reports as of January 31, 2011

Copies were provided in the packets for the board’s information.

3. Gift-giving Campaign Sub-Committee Reports

Capital & Major Giving (Lori Okada) - President Okada shared that a meeting with SAIC and Ana Kao is set for Monday, February 28, 2011. Appreciation was extended to Mr. Richard Untalan for facilitating the donation made by the Compadres Mall in the amount of \$25,000 to support Survey Technology (\$10,000 to go toward the Endowment Scholarship and \$15,000 will be awarded to students who are currently enrolled in the Survey Technology Associates Degree program). Additionally, Lolita Reyes submitted a proposal for a federal grant to support and to bring back to Guam a Survey Conference, and the Guam Women’s Club was approached to consider supporting several scholarships for GCC’s nursing and allied health programs. Further, Hawaiian Rock Products (HRP) is leasing a portion of GCC’s property for \$2,000 a month and made an inkind donation of \$100,000 to be used toward supporting the completion of the campus’ brick wall.

Annual Giving & Events (Joe Leon Guerrero) -

Planned Giving (Gerry Cruz) -

Scholarships & Endowments (Gina Ramos) -

Communications (James Martinez) - A meeting is soon to be scheduled.

V. UNFINISHED BUSINESS

1. Construction Projects Updates:

Student Center - Construction is on track and progressing. The completion date is set for November 30, 2011, and is 100% ARRA funded.

Foundation Building Renovation: As reported earlier, legal counsel is reviewing two bids and the final contracts for the Foundation Building renovation.

2. Board Resolution: GCCF 1-2011 “GCC Foundation Investment Policy Statement)

MOTION

IT WAS MOVED BY MR. EDUARDO R. ILAO, SECONDED BY MR. GERARD A. CRUZ, THAT THE BOARD ADOPTS THE REVISED GUAM COMMUNITY COLLEGE FOUNDATION INVESTMENT POLICY STATEMENT AS PRESENTED. MOTION CARRIES. (Voting: 5 ayes, 0 nays) (A copy is attached.)

Mr. Cruz clarified that the newly revised and adopted Investment Policy Statement (IPS) now replace the existing IPS. President Okada added that the newly adopted IPS is under the Board of Governors and is specific to the Foundation.

VI. NEW BUSINESS

1. Recommended Investment Manager Selection

Ms. Mariano reported that several meetings were held between the Foundation's Finance Committee comprising her, Mr. Cruz and Vice President of Finance Ms. Santos, and Mr. Jason Miyashita of MorganStanley SmithBarney (MSSB) Consulting Group, to review and discuss the list of potential Investment Managers to oversee and manage the various funds under the GCC Foundation. Mr. Jason Miyashita added that with the recommended investment managers selected. MSSB will review their performances on a quarterly basis. Therefore, upon thorough review & discussions with MSSB, the following recommendations are presented to the Board for consideration.

Guam Community College Foundation Recommended Investment Manager Selection

<i>Management Style:</i>	Large Cap Value
<i>Performance Benchmark:</i>	Russell 1000 Value Index
<i>Selected Manager:</i>	Cambiar Large Cap Value FS
<i>Management Style:</i>	Large Cap Growth
<i>Performance Benchmark:</i>	Russell 1000 Growth Index
<i>Selected Manager:</i>	Winslow Capital Large Cap Growth
<i>Manager Style:</i>	Small Mid Cap Core
<i>Performance Benchmark:</i>	Russell 2500 Index
<i>Selected Manager:</i>	Loomis Sayles : Small/Mid Cap
<i>Management Style:</i>	Foreign Developed Markets
<i>Performance Benchmark:</i>	MS EAFE Index Index
<i>Selected Manager:</i>	Renaissance International Equity
<i>Management Style:</i>	Foreign Emerging Markets
<i>Performance Benchmark:</i>	MSCI Emerging Markets Index
<i>Selected Manager:</i>	Renaissance International Equity

Management Style: U.S. Core Fixed Income
Performance Benchmark: BC Aggregate Bond Index
Selected Manager: PIMCO Total Return Managed Account FS

Management Style: Non- U.S. Core Fixed Income
Performance Benchmark: Citigroup Non-US World Government Index
Selected Manager: Templeton Global Bond Adv

Management Style: Diversified Commodities
Performance Benchmark: Dow UBS Commodity Index
Selected Manager: NewGate LLC Global Resources

MOTION

IT WAS MOVED BY MS. JOSEPHINE L.MARIANO, SECONDED BY MR. GERARD A. CRUZ, THAT THE BOARD ACCEPTS THE RECOMMENDATIONS FOR INVESTMENT MANAGERS. MOTION CARRIES UNANIMOUSLY. (Voting: 5 ayes, 0 nays).

Mr. Miyashita will be provided all the documents that are needed to effectuate the account application agreement once all required signatures are obtained.

VII. NEXT QUARTERLY MEETING - Tuesday, April 26, 2011, GCC President's Conference Room, 12:00 noon.

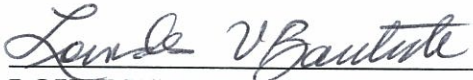
VIII. ANNOUNCEMENTS - The annual joint GCC board retreat is scheduled for Saturday, February 26, 2011 from 9am-11am. Members encouraged to attend. Additionally, the 2012 TAPE Conference is planned to be held in December in San Antonio, Texas. Anyone interested is asked to notify Lou so that proper travel arrangements can be made.

At this time, Mr. Martinez shared that his recent trip to attend the Effective Education Partnership Conference held in Austin, Texas was a learning experience, obtained great ideas and met a lot of people.

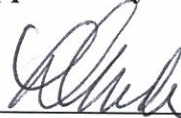
President Okada added that several colleges have partnerships that include the Chairman of the Chamber of Commerce, the College President, and the K-12 Superintendent, who meet to develop and discuss the issue of building a workforce. She noted that she is already working with the Guam Chamber of Commerce on the Work Keys Program. She explained that the Department of Labor was given \$12,000 for the Work Keys Program but never implemented the program, therefore, Governor Camacho had the funds transferred to the college. The objective of the Work Keys Program is an assessment of an individual's knowledge, skills, and abilities.

IX. ADJOURNMENT - There being no further discussion, the meeting of February 22, 2011 adjourned at approximately 1:30 p.m.

Submitted by:


LOURDES V. BAUTISTA
Recording Secretary

Approved by:

 **APR 26 2011**
LORRAINE S. OKADA
Chairperson

Attachment: Resolution GCCF-1-2011 "Foundation Investment Policy"

**GUAM COMMUNITY COLLEGE FOUNDATION
Board of Governors**

FOUNDATION INVESTMENT POLICY STATEMENT

WHEREAS, the Foundation Board of Governors has the authority to manage the funds entrusted to the Foundation and the manner, in which they are invested; and

WHEREAS, the purpose of the Investment Policy Statement (IPS) is to assist the Guam Community College Foundation Board of Governors and its Finance Committee, through its Fund Manager, in effectively supervising, monitoring and evaluating the investment of the Foundation's Endowment Fund assets.

NOW, THEREFORE BE IT RESOLVED that the GCC Foundation Board of Governors adopts the attached revised Guam Community College Foundation Investment Policy Statement.

Adopted: February 22, 2011

Resolution GCCF-1-2011