

**GUAM COMMUNITY COLLEGE FOUNDATION**  
**Board of Governors Meeting of March 8, 2024**  
**12:00 p.m. via Zoom**

**MINUTES**

**I. CALL TO ORDER.** The GCC Foundation Board of Governors meeting of March 8, 2024, was called to order at 10:04 a.m., by Ms. Lorraine Okada, Chairperson via Zoom.

**1. Roll Call**

**Members Present:** Ms. Lorraine S. Okada, Chairperson; Mr. Gerard Cruz, Vice Chairperson; Ms. Josephine L. Mariano, Treasurer; Mr. Eduardo Ilao; Ms. Narlin Manalo; Mr. Carlo M. Leon Guerrero, GCC BOT Chairman; Ms. Annmarie Muna; Dr. Mary A.Y. Okada, President.

**Schedule Conflict:** Mr. James A. Martinez, Secretary; Ms. Carline Bukikosa; Mr. Eloy Lizama.

**Others in attendance:** Ms. Bonnie Datuin, Program Specialist, Development & Alumni Relations, Mr. John Dela Rosa, PIO; representatives from the Office of Raymond James: Mr. Jason Miyashita and 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 June 30, 2023.** *No motion was made at this time.*

**III. COMMUNICATIONS.** *None at this time.*

**IV. REPORTS**

**1. President's Report.**

**Capital Improvement Projects and other activities:**

The President reported the following:

A lot of activities have happened since last year.

The new Multipurpose Auditorium (MPA) is complete and rental fees for this will be established through the adjudication process; with the financial status of the College, for the current fiscal year, as of last month's meeting with the Board of Trustees, the College has been receiving all of its cash on a regular basis. The President further reported that under the FY2024 budget, there was a provision under miscellaneous provision that was not an appropriation but was an authorization for the College to collect under the Manpower Development Fund the amount of \$700,000 for fiscal year 2022.

## **2. Capital Improvement Projects (CIP).**

There are several construction projects that are still ongoing: Building B is expected to be completed approximately June 2024, plus the facility equipment has already been awarded; Building 2000 generator project should be done by the end of March 2024, which is funded through the Higher Education Emergency Relief Fund (HEERF); the Culinary Arts and Baking Center is currently under renovation. Funding for this has been identified under the federal funds that we received for higher education and the equipment has already been awarded to several vendors for this facility.

A FEMA grant is pending for the award notification for Building 600 and also working on the A&E for this facility; a FEMA application has been submitted for Building 500, which is also pending.

With the Workforce Development Center (WDC), the College is going to the process in putting this out to bid. This morning, the College received the authorization from the U.S. Economic Development Administration (EDA) to award the contract for this project, however, the contract is with the Attorney General's office for review. Once the College receives clearance from the AG, there will be a groundbreaking shortly and will also invite federal representatives.

Regarding the Wellness Center project, the College followed up today on the financial feasibility study for the USDA loan. Anticipate the loan with USDA loan in the amount of \$7 million and are requiring additional bank rejections that say we don't qualify for bank funding and will be requesting from First Hawaiian Bank and Bank Pacific. The initial estimate for the wellness facility is a little over \$9 million. The Board of Trustees identified \$2 million and passed a resolution authorizing the transfer of \$2 million to the GCC Foundation from the Capital Projects Fund because the loan will be under the GCC Foundation.

The President further reported that the transfer has already been done from the Non-Appropriated fund balance to the Capital Projects Fund as leveraged funding to support the Wellness and Maintenance Center construction project. The amount transferred is \$2,242,671.00 and is currently in the Bank of Guam operating account. Also, at this time there is \$2.4 million in the GCC Foundation's account with Bank of Guam, and an additional \$126,000 that is the account that is used to pay the debt service for the Forensic Lab. This is all in the GCC Foundation account. When the bids come out, the College anticipates there might be an additional adjustment or additional funding that might be needed to support unforeseen construction costs.

With the Workforce Development Center project, the College received a \$1.2 million grant from U.S. EDA and the Board of Trustees had to authorize additional funding due to the estimated cost of \$3.3 million. With \$2 million higher than the grant award, the Trustees authorized additional funding from the Manpower Development Fund (MDF) balance. MDF supports apprenticeship and there is a provision in the law that allows for facility upgrades for apprenticeship training programs. This includes an additional \$500,000.00 for equipment and \$327,000.00 for contingency.

The College has been preparing for the Accreditation visit in March 2025 and there is a team working to complete the Institutional Self Evaluation Report (ISER) with a deadline of August 1, 2024 but anticipate submitting this earlier in May 2024 because faculty would also have to review and sign off on it.



The Vice Chair asked what the plans were for the Wellness Center and the President explained that a portion of this area will be for Facilities & Maintenance and the remaining portion will have a basketball court, a physical fitness area to include law enforcement training and with two classrooms designated for wellness type courses such as nutrition.

There has been requests from the law enforcement community to include federal law enforcement for the College to extend the current shooting range with an adjacent property and the President has requested the Governor's Office to identify some land for an indoor shooting range. A property has been identified and once secured, federal agencies will help with the funding. Although the military is building their own shooting ranges, it will not be enough to support the recertification needs of all the law enforcement agencies. The law enforcement agencies are therefore looking to the College for help in identifying land and building a shooting range facility to meet their training requirements.

The Chair asked the cost of Building 600. Ms. Bonnie Datuin provided \$1.384 million for this project through a grant with the College's share of \$329,654.

### **3. Investment Reports & Updates.**

Ms. Amanda Gima reported the following:

Provided a GCC Foundation Comparative Performance Analysis Report as of December 31, 2023 and provided a summary such as a market update, GCC with an overview of what happened last year and then with the current fiscal year.

Ms. Gima reported that it has been interesting the last couple of years. market update, highlighting resilient economy.

Just looking at number one, the economy. This increased from the past month, it's now positive 1.7 and said is interesting as it has remained remarkably resilient.

Last year, discussed a lot about the recession that was happening, that was going to happen in 2023 and throughout from then it did not happen.

With the fourth quarter, it was good especially with equities. Seeing that the economy expanded and really slowed down, especially with the Federal's restrictive monetary policy and still think that there is going to be a recession.

There is going to be more towards the second and third quarter, trying to see some pull back in the market, but really not large amounts, and then moderate around 1.7 and it is very strong; bond market sees strong performance with 10-year yields at 3.5%, leading to potential rate hikes; when they were about to start hiking again, COVID happened, and they brought it back down to zero, however, within the past couple of years, rates just increased significantly and is an interesting time for bonds; not only are you getting the yield, but if we do start to see rate hikes, you will start to see increases in bond prices, so maybe not as high as we expected;

In moving into 2024, expecting a decrease but are watching what the Feds are going to do towards the end of this month, when they meet; the market is moving a lot with how the Feds are reacting to interest rates during this past fourth quarter; showing the numbers for the first quarter of 2024,



was very high and mostly due to the Feds saying they were going to decrease rates; waiting on what the Feds were going to do very well for the Foundation's bond, again as reflected in the fourth quarter in both sides of the market, mostly in equities.

Equities just this past year have been really great with the AI boom of last year and growth stocks really taking up. A lot of these growth stocks are really highly valued, and there's a lot of discussion around as to where's the next growth going to be and is it going to continue to be with AI; starting to see that the dollar has peaked and not just the U.S. economy but internationally; expect to see that the dollar is not going to maybe gain, but going to be a little bit more stronger throughout the rest of the year; oil is going to be at \$85 per barrel; the market has been volatile for the past 3 to 4 years since COVID and feel it is continuing.

Ms. Gima also provided a performance update of the GCC Foundation portfolio as of December 31, 2024. To date the current amount in the portfolio from December 31, 2023 through March 6, 2024 is \$19,155,102.00 and there is \$415,329.00 in cash right now yielding at 1%. There was also discussion to update the Investment Policy Statement to be determined with the Foundation Investment Committee (IC); also during past IC meetings, there was discussion regarding either getting that into CDs or into a money market mutual fund, however, no further instructions were provided to Raymond James.

#### **4. Giftgiving Campaign Sub-Committee Reports.**

##### **Capital & Major Giving.**

##### **Annual Giving and Events.**

Ms. Bonnie Datuin provided the following:

For FY2024, the Golf Tournament in September 2023 had a revenue of \$28,850 with a net of \$18,905. There were 35 teams and the first place winner was Ed Ilao and his son, John Ilao. Congratulations were extended to both players.

With the Wine Tasting, the date is pending for FY2024. The Culinary department has been relocated, and the chefs and students are at a remote site at the Leo Palace Hotel. Although a tentative date is not scheduled, the College is still working out the logistics and anticipate launching the event again this year and partnering up with Culinary.

The Chair asked the status of the Culinary Arts & Baking Center. The President informed the Board that when this project was awarded, it did not intend to change the roof and when demolition started, the roof needed to be changed. The Architects had to go back and redo the plans to include the roof and now anticipated completion date is the end of 2024. There are still plans to include GCC Culinary students as part of the Wine Tasting event. They would have to be accommodated by making it convenient for students to prepare food at the same venue as the event such as at a hotel foyer and not necessarily in a full ballroom. The College anticipates securing this soon.

The FY2025 Golf Tournament is tentatively scheduled for September 21, 2025; and activities are planned for FY2025 such as the naming opportunities program, workplace giving program, and



slowly phase into a more digital engagement and fundraising for online giving campaign, including a GCC Giving Day. This is anticipated for November 2024, as a digital fundraiser; Wine Tasting and Golf Tournament to include a Scholarship Brunch.

### **Planned Giving.**

### **Scholarships & Endowments.**

The Patricia Feore, Cruickshank and Gary Hart scholarships are all coming through.

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

## **VI. NEW BUSINESS.**

### **1. Cash Flow Reporting Requirements.**

As previously reported by the President there was the \$2.2 million transferred to the GCC Foundation account for the leverage support for the Wellness Center, and then that the other account that is currently in the Capital Projects Fund account is the debt service payment to USDA for the DNA (Forensic Lab) loan. There is a list of issues brought up in the audit for 2022 which has to be resolved.

One of the issues is that since 2014 and based on the A&E's that have been supported by the GCC Foundation (Foundation), and all the support for the Foundation, such as the budget passed every year, the employee support and their salaries, money have not drawn from the Foundation to get all of these supports. Currently, as of 2022, the Foundation has to transfer \$1,750,051.59. The last audit conducted for the College raised the question of what is the collectability and why is the College not collecting?

There are two options that can be done. Because the Foundation's investments are doing so well it might not be time for any withdrawals. The President then suggested the option of utilizing the \$2,374,000 that is currently in the Foundation's operating account and pay \$1.7 million, and then, over time to identify and liquidate the amount necessary for the Wellness Center. Basically this is using the cash that we just transferred by giving the Foundation investments time to earn more funding and then slowly liquidate. It is going to be at least six months to a year before that funding is needed.

The Vice Chair asked what is the USDA requirement. The President explained that the USDA requires bridge funding. This means that if the facility ends up being a \$9 million project, with the first \$2 million that was just transferred from the College to the Foundation, in terms of payments, this is linked with the cash flow. The President explained that in her opinion, the College could make all the payments associated with it and can be used as the bridge financing for this project for the amount of \$9 million. The President further explained that this is also possible because the College is in a really good financial position, which is the reason the Trustees were able to allocate the \$2 million to the Foundation to support the Wellness Center.



Because the Board has being responsible stewards of its finances, there is also additional projects it should be able to support also due to significant cash balances to support the leverage financing without any issues building this project and then drawing the \$7 million.

The President will provide the Foundation with a spreadsheet of the breakdown of its financial obligations.

The Chair agreed that the College is in a good financial position, however, the President mentioned she does not want to necessarily liquidate anything but when this occurs there is time to put it back into the operating account for that building. Anticipate the team can ramp up all fundraising efforts and its donors to help with these activities. The President expressed wanting to reach the \$20 million mark before deciding to start taking from it.

The Treasurer asked what would happen if a deadline was given for the repayment to the College. The President explained it would have to be within a year. The auditors would have to be informed and then it would be in the 2024 audit as a continuing outstanding, and it would not be favorable for the College, which the auditors have informed the College. The auditors were already informed there will be a plan in place for the repayment and is expected to be provided an arrangement plan regarding this issue by the end of March 2024 to close out the FY2023 audit.

There were further discussions and for the GCC Foundation Investment Committee to determine its cash flow position and determine what and how much investment the Foundation can make in order to decide on the repayment obligation to the College over a time period. The following motion was then made:

#### **MOTION**

**IT WAS MOVED BY MS. JOSEPHINE MARIANO, SECONDED BY MR. GERARD CRUZ, FOR THE FOUNDATION BOARD TO UTILIZE THE \$2,374,000 IN THE FOUNDATION'S OPERATING ACCOUNT AND SCHEDULE THE REPAYMENT OF THE \$1.7 MILLION TO THE COLLEGE WITHIN A TWELVE (12) TO FOURTEEN (14) MONTHS TIME PERIOD; AND TO SEEK ADVISE FROM THE OFFICE OF RAYMOND JAMES REGARDING REINVESTMENT OF THE REMAINING BALANCE. NONE OPPOSED, MOTION CARRIED. (VOTING: 6 ayes, 0 nays)**

At this time another motion was made, as follows:

#### **MOTION**

**IT WAS MOVED BY MR. GERARD CRUZ, SECONDED BY MS. JOSEPHINE MARIANO, FOR THE GCC FOUNDATION BOARD OF GOVERNORS TO INVESTMENT THE REMAINING BALANCE OF THE GCC FOUNDATION'S OPERATING ACCOUNT AND ITS CURRENT CASH ACCOUNT AFTER THE PAYOFF OF THE LIABILITY TO THE COLLEGE AND TO INVEST WITHIN A TIME HORIZON OF SIXTEEN (16) MONTHS TO BE ABLE TO FUND THE COLLEGE'S PORTION OF THE WELLNESS CENTER. NONE OPPOSED, MOTION CARRIED. (VOTING: 6 ayes, 0 nays)**

**VII. NEXT MEETING** – The next quarterly Foundation Board meeting will be scheduled in April 2024 and subject to change.

**VIII. ANNOUNCEMENTS.**

GCC will be hosting its first GCC “Spring Bazaar” on March 23 (Sat.) and March 24, 2024 (Sun.), 8:00 a.m. to 2:00 p.m. in the GCC Multipurpose Auditorium (MPA) in Bldg. 300 to support scholarships. All are invited to help support this event.

The Board were informed that Mr. Carlo Leon Guerrero is the newly elected GCC Board of Trustees Chairman; Ms. Rose Grino, Vice Chairperson; Ms. Yolanda M. Padrones is the Secretary and the Treasurer is Ms. Gina Ramos. Congratulations were expressed by the Board.

**IX. ADJOURNMENT.**

**MOTION**

**IT WAS MOVED BY MS. JOSEPHINE MARIANO; SECONDED BY ANNMARIE MUNA, THAT THE BOARD ADJOURN THE MEETING OF MARCH 8, 2024. NONE OPPOSED, MOTION CARRIED. (Voting: 6 ayes, 0 nays)**

There being no further discussion, the meeting of March 8, 2024, was adjourned at 11:28 a.m.

**Submitted by:**

  
**BERTHA M. GUERRERO**  
Recording Secretary

**Approved by:**

  
**LORRAINE S. OKADA**  
Chairperson