

**GUAM COMMUNITY COLLEGE FOUNDATION  
Board of Governors Meeting of April 26, 2011  
GCC President's Conference Room**

**MINUTES**

The GCC Foundation Board of Governors meeting of April 26, 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, Ms. Josephine L. Mariano, Ms. Gina Y. Ramos, Mr. Eduardo R. Ilao, Ms. Annmarie Muna, Mr. Eloy Lizama.

**Not in attendance:** Mr. Gerard A. Cruz (off island), Mr. James J. Martinez (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, Ms. Carmen K. Santos, Vice President, Finance & Administration, Ms. Lolita Rcyys, 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 February 22, 2011**

**MOTION**

**IT WAS MOVED BY MR. EDUARDO R. ILAO, SECONDED BY MS. GINA Y. RAMOS, THAT THE BOARD APPROVES THE MEETING MINUTES OF FEBRUARY 22, 2011, SUBJECT TO CORRECTIONS. MOTION CARRIES. (Voting: 6 ayes, 0 nays)**

**III. COMMUNICATIONS - None to report.**

**IV. REPORTS**

**1. President's Report & CIP Projects Update**

Financial Status of the College: President Okada reported that the college continues to follow up with the Department of Administration relative to its budget releases for the fiscal year. It is anticipated however that the college is to receive its allotment minus the 3% set aside on the Government of Guam General Fund and a cut back of about 10% for all special projects, such as the Tourist Attraction Fund (TAF) and the Manpower Development Fund (MDF). She reiterated that the Government of Guam continues to struggle financially.

Fiscal Year 2012 Budget: The College presented its budget to the Legislature in compliance with the required deadline of February 15, 2011. Subsequently, an amendment to our budget was submitted primarily because all the Hay Study adjustments were taken out, and because adjustments to retirement and health insurance costs were made.

Hay Study: Again, President Okada reiterated that based on the Governor's Executive Order rescinding the Hay Study in its entirety, all salary adjustments for GCC staff and administrators were rolled back.

Tuition Increase: The Board of Trustees recently approved the reinstatement of the tuition increase to be effective Fall 2011. Based on the five-year plan for tuition increases, this is the last increment for an increase in tuition. However, should the Board consider instituting another series of tuition increases it would have to go through the Administrative Adjudication Process. President Okada again happily shared that enrollment is up and registration for the Summer and Fall 2011 semesters are ongoing.

ARRA funded projects will continue to move forward. The Photovoltaic parking lot project, funded by the Department of Energy funds, has been awarded. The building permit for the generator project for Building D has been received allowing the project to now move forward as scheduled. The bid for the VoIP System project has been cancelled, however, the college received a protest last week because of the cancellation. The issue is being looked into. Funding for the Sprinkler System project for Buildings 500 & 600 was reallocated to complete the project. The paint booth has been purchased and is now pending the bid for the installation. The Allied Health Center photovoltaic parking lot light project is at 60% completed.

In addition, President Okada apprized the Board that she met with USDA representatives regarding the \$2 million for the pre-bid for the renovation of the Foundation Building. However, based on information received regarding available money up for grabs, the college resubmitted its request for \$5 million. If approved, the \$5 million will fund the entire renovation project which includes a backup water tank, a generator house, photovoltaic lights, etc.

Again, President Okada reiterated that the deadline to obligate all ARRA funds is September 30, 2011 and that all ARRA funds are expended by December 31, 2011.

USDA Loan: The loan agreement between with the U.S. Department of Agriculture is closed with

the second draw down of funds is soon to be released to the college.

GCC's 314 Acres of property: President Okada noted that in light of Speaker Wonpat entertaining the college's request to update Public Law 14-77, our legal counsel is working on drafting verbiage that will allow the college to lease its property.

Peace Officer Standards & Training (POST) is now Public Law and which allows the College to be the State Agency to provide the administrative component for the POST Commission.

Accreditation Visit: Scheduled for March 19-22, 2012.

Other happenings:

- As part of their Project Aim Program, we have visiting students on campus from the College of Micronesia.
- Accounting Conference is scheduled for Friday, April 29, 2011 at the Hyatt Hotel. The conference is funded by the Carl Perkins Act.
- A meeting with architects from the firm of Tanaguchi Ruth Makio & Associates (TRMA) is scheduled to be held to discuss the Campus' Physical Master Plan.
- The Board of Trustees recently approved the architectural and engineering (A&E) design for the renovation of Building 200 (located between the Cosmetology building and the Multipurpose Auditorium).
- The A&E design for the Forensic Lab was approved and funded by the U.S. Department of Interior.

## **2. Investment Reports & Updates**

Vanguard Reports as of April 7, 2011 - The account value as of April 7, 2011 is at zero due to the transfer of funds to Morgan Stanley Smith Barney, LLC.

Morgan Stanley Smith Barney Reports - At this time, Board members concurred that a report from MSSB be a standing agenda item. Additionally, the Foundation's finance subcommittee, consisting of Carmen Santos, Josephine Mariano, and Gerard Cruz, will meet on a monthly basis with MSSB to go over the investment reports.

Referring to the transitioning of funds from Vanguard to MSSB, Ms. Carmen Santos noted that several pay outs made back to the college includes \$292,000 for fiscal year 2010 to cover the payment made by the college to Sungard for modules upgrades and services, and \$216,000 for the A&E for the renovation of the Foundation Building.

Mr. Jason Miyashita from MSSB provided board members a copy of the college's portfolio based on information as of April 21, 2011. He briefly went over the portfolio covering the Investment Summary, Composite Allocation, Composite Analysis, and Composite Performance. He noted that the quarterly reports that will be provided to the board will actually show the breakdowns relative

to their benchmarks. Ms. Josephine Mariano requested that the Board's investment policy benchmarks also be incorporated in the quarterly reports for purposes of keeping abreast of what the board has set out as policy.

Additionally, Mr. Miyashita in meeting with Mr. Gerry Cruz was asked to briefly explain to the board the Securities-Based Lending program also called the Express Credit line program. He provided copies of a brochure outlining the program. Should the board consider setting up the program, there is no cost to do so.

Ms. Josephine Mariano inquired debt borrowing have to go before the Guam Legislature. In response, President Mary Okada said that the three USDA loans the college has acquired did not go to the Legislature however has recently been reporting it to GEDCA. Ms. Mariano highly recommended that this issue be researched just to make sure the processes are adhered to and legal. President Okada will look into the matter because the Foundation is a public corporation with a 501(c3) status. She emphasized that the current process is as long as GEDCA is made aware and not necessarily have to approve it.

#### **4. Gift-giving Campaign Sub-Committee Reports**

Capital & Major Giving (Lori Okada) - Current donations were made by the Bank of Guam - \$120,000; TakeCarc - \$100,000; Hawaiian Rock Products - \$100,000 inkind (construction materials).

On May 2, 2011 President Okada to meet with former Lieutenant Governor Frank Blaz and family to discuss their initial donation of \$25,000 and to consider purchasing a room.

**Upcoming events include:** April 27, 2011--Alumni Recognition Ceremony, 10am, Multipurpose Auditorium; May 13, 2011--GCC's Donor Recognition Ceremony, 3pm, Anthony A. Leon Guerrero Allied Health Center; May 14, 2011--GCC's Leadership Dinner, 6pm, Multipurpose Auditorium; May 20, 2011--GCC's Commencement Ceremony, 6pm, University of Guam Field House.

Annual Giving & Events (Joe Leon Guerrero)

Planned Giving (Gerry Cruz)

Scholarships & Endowments (Gina Ramos)

Communications (James Martinez)

#### **5. Foundation Audit Reports**

- Letter to Foundation Board (dated March 14,2011)
- Financial Statements and Independent Auditors' Report, Years Ended September 30, 2010 AND 2009
- Independent Auditors' Report on Compliance & Internal Controls, Year Ended September 30, 2010

President Okada happily shared that for 10 consecutive years, the college received clean audit report and is qualified as “low risk” auditee from the Office of the Public Auditor. Congratulations were extended for a job well done.

**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. Ribbon Cutting Ceremony is currently scheduled for December 9, 2011 at 10:00am. Request for Bids for furnishing is scheduled to go out soon. President Okada said she will again request funding assistance from Tony Babauta, Assistant Secretary of the Interior for Insular Areas, U.S. Department of Interior.

Foundation Building Renovation: The contract for the project was awarded to Orion Construction Company. The estimated completion date is February 2012.

**VI. NEW BUSINESS**

**1. Legal Counsel for GCC Foundation Board of Governors**

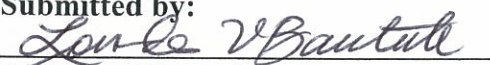
Law Firm of Blair Sterling Johnson - President Okada noted to the Board that the firm of Blair Sterling Johnson has provided legal services to the Board since the time of former Chair John Lee. The firm’s services are used on as needed basis. Board members *concurred* to retain the Law Firm of Blair Sterling Johnson as legal counsel for the Foundation Board.

**VII. NEXT QUARTERLY MEETING** - Thursday, July 7, 2011, GCC President’s Conference Room, 12:00 noon.

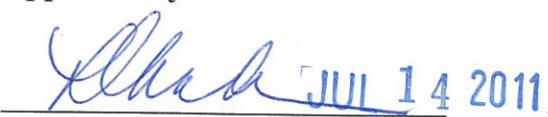
**VIII. ANNOUNCEMENTS** - None.

**IX. ADJOURNMENT** - There being no further discussion, the meeting of April 26, 2011 adjourned at approximately 1:30 p.m.

Submitted by:

  
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LOURDES V. BAUTISTA  
Recording Secretary

Approved by:

  
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LORRAINE S. OKADA  
Chairperson