

**GUAM COMMUNITY COLLEGE FOUNDATION**  
**Board of Governors Meeting of May 16, 2012**  
**GCC President's Conference Room**

**MINUTES**

The GCC Foundation Board of Governors meeting of **May 16, 2012**, was called to order at 12:15 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, Ms. Annmarie T. Muna, Mr. Eloy Lizama, Mr. Frank Dumanal; Mr. Joseph B. Leon Guerrero

**Not in attendance:** Ms. Gina Y. Ramos (schedule conflict), Mr. Eduardo R. Ilaio, (schedule conflict), Ms. Josephine L. Mariano (schedule conflict), Mr. James J. Martinez (schedule conflict), Mr. Jason Miyashita, Morgan Stanley Smith Barney Consulting Group (schedule conflict).

**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 Reyes, Assistant Director, Development & Alumni Relations.

**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 21, 2011**

**MOTION**

**IT WAS MOVED BY MS. ANNMARIE MUNA, SECONDED BY MR. JOSEPH LEON GUERRERO, THAT THE BOARD APPROVES THE MEETING MINUTES OF DECEMBER 21, 2011, SUBJECT TO CORRECTIONS. NONE OPPOSED, MOTION CARRIED. (Voting: 6 ayes, 0 nays)**

**III. COMMUNICATIONS.** Mr. Frank Dumanal was provided a letter to officially serve as a member of the Guam Community College Foundation Board of Governors. He was then welcomed and congratulated by the Board.

**IV. REPORTS**

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

**Financial Status of the College:** The Guam Department of Administration gave the College an excess of approximately \$900,000.00 from the Manpower Development Fund. \$600,000 was received as part of the allotments and recorded as excess and the \$900,000 was recorded as FY2012 appropriations. The Finance office is looking into short term investments in the meantime until the monies are reversed once an audit is released showing the discrepancy.

With regard to the FY2012 Budget, President Okada reported that 62% of allotments have been received

to date from DOA per the allotment schedule. This has been on track based on the schedule due to the Accreditation visit. She further stated that the FY2011 is covered so far with the 3% set aside. As for FY2012, there is still the 15% hold and she hopes the Government will release the difference based on the Bond. She stated that based on appropriations, the College is doing okay with its cash for FY2012; however, with the Foundation renovations in its last stages, monies should be received from the USDA loan. President Okada clarified that these short term investments will help.

CIP Projects. The College is one of the few Government agencies that have spent 100% of its AARA funds within the March 31<sup>st</sup> deadline without any requests for extensions.

2012 Accreditation, March 19-22, 2012. The President thanked the Board for their participation during the March visit. With regard to the Confidential Draft Report received from the Accreditation Team the President submitted a statement to correct some "factual errors." She is scheduled to go before the Accreditation Commission to testify before their actual hearing. Subjects for discussions are the four (4) recommendations:

1. Distance Education (DE)-development of the strategic plan for distance education;
2. Additional financing or revisiting how the GCC Management Information System Department is funded;
3. Evaluation of the non credit courses; and
4. Staff Governance Structure. The President mentioned that this was recommended in the past and wanted to give testimony that although it was not formalized, there was a system in place. She further clarified that a core group is currently in the process of establishing By-Laws and Constitution for staff. Election of staff officers will be on May 25, 2012 and this will formalize this structure.

The Final Accreditation Report should be received in July 2012.

President Okada also presented concerns regarding Distance Education. She reported that DE is a huge issue for community colleges and higher education because one institution had a situation where it had to go through the adjudication process and was forced to return over \$40 Million in financial aid, because the institution was found to have simply been conducting correspondence courses instead of DE, and CC do not qualify for financial aid. GCC currently has three DE classes. A college is evaluated the same way (for accreditation purposes) no matter how many DE classes it offers.

As part of her testimony, President Okada reported that the College is not looking to offer Distance Ed off-island. She further noted each time the College has a student from off-island, the College has to get authority from that state or jurisdiction to allow the College to offer that student to take courses off-island. Guam is receiving a lot of requests. Guam can make money from this; however, it will be very costly. The President is a member of the Post Secondary Certification Board chaired by Dr. John Salas and is addressing this issue. Although this will be very costly, the President noted, a plan still has to be done even if not much would be offered in this area.

Guam Land Use Commission (GLUC). The Deed for the 314 acres was signed and now transferred to the Guam Land Use Commission. The revenue generated from Hawaiian Rock is with the Foundation.

The Technology Audit has been completed and approved by the Resource Planning and Facilities Committee and the College Governing Council.

President Okada further reported other activities that the College is working as follows:



As part of the Allied Health Education Center (AHEC) grant, the College is working with several off-island organizations for Paramedic Training and EMT Certifications.

Through a Tri-Board Resolution, the College completed its "Career and Technical Workforce Readiness Summit" which was held last week. There were approximately 200 participants. This involved hands on with the different programs the College offers.

The College also completed its Dual Credit Articulated Programs of Study (DCAPS) program. These are the high school programs that will be articulated into post secondary. Also, there are students that now have a Certificate of Mastery who are eligible to apply for up to twelve (12) college credits at no costs.

With regard to the Articulation Agreement with the University of Guam, the National Science Foundation grant has provided three (3) energy courses; two (2) in photovoltaic and one (1) for renewable energy.

President Okada reported that Senator Rodriguez has requested for an intern for his office. Also, when the Board last travelled to Washington D.C., they requested for a GCC intern for Congresswoman Bordallo's office. As a result, the Congresswoman approved for one (1) summer intern for her office in D.C. President Okada noted that this will be a first time for GCC. The application deadline is May 31, 2012, and the internship begins July 2012.

President Okada also reported that Friday, May 18, 2012 is the GCC graduation with approximately 348 eligible graduates. 73 are for apprenticeship and 54 will be attending the ceremony. The graduate breakdown is the following: 120 Associate's Degree, 47 Certificates, 73 Apprenticeship, 25 Adult Ed, and 135 GED. She noted that a total of approximately 200 will attend the ceremony. Mr. John Cruickshank from the National Science Foundation will be the commencement speaker.

At this time, Ms. Lolita Reyes reported the following for fundraising:

35<sup>th</sup> Anniversary Gala. All the tables were sold out and made \$55,000.00 for table ticket sales. Ms. Reyes thanked the Board for their assistance in the ticket sales. She further noted, the centerpieces used during the gala were being sold as part of the fundraiser. She also stated that wine bottles were donated by the GCC Class of 1977 and 1981. The total raised was \$67, 985.00 with a net profit of \$50,018.00.

Parade of Shoes, February 2012. Ms. Reyes apprised the Board that the event made over \$7,000.00 with a net profit of approximately \$6,000.00. She further noted that this event would occur annually during February.

Naming Opportunities. With regard to naming opportunities, a GCC staff, Ms. Elizabeth Duenas, would like to pledge \$5,000.00 to be payroll deducted for a naming opportunity for an office space in the Learning Resource Center. Ms. Reyes also explained that a potential donor, Ms. Arlene Bordallo expressed interest in a \$50,000.00 naming opportunity for a faculty office space.

With regard to other donations, Ms. Reyes received interest for a \$10,000.00 endowment, plus a donation to fund the survey technology students in the apprenticeship program. President Okada clarified that the College was just awarded a grant for surveying equipment for the Survey Technology class.

Capital Improvement Projects (CIP) - President Okada reported that there are several projects for Fiscal Year 2012, which were funded through the tuition increases. She reported that one of the bids will be

issued out soon. She further noted that TRMA has been contracted to do the scope of work for several of the FY2012 projects, especially with the larger projects which require to be standardized.

**2. Investment Reports & Updates.** Morgan Stanley Smith Barney Reports - Mr. Jason Miyashita was off-island and no representative was present, however, Mr. Gerry Cruz provided a brief summary of the March 31, 2012 report for clarification. Mr. Cruz reported that during this period, the market was really generous and the returns reflect this. He then referred to a copy of the report and on page 2 of 10; the bottom of the report shows a total portfolio that is just under \$7.8 Million, which is about a \$600,000.00 return for the quarter. He then referred to page 1 of 10, which shows a gain of about \$654,000.00, which is favorable. Because Mr. Cruz did not have a copy of the report to date, he does not know exactly where GCC is at. Mr. Cruz clarified he would still have to see what happens with the market on the next report. With regards to any cash withdrawals, Mr. Cruz advised that Mr. Jason Miyashita be informed as soon as possible.

**3. Gift-giving Campaign Sub-Committee Reports**

Capital & Major Giving (Lori Okada) - (None to report at this time)

Annual Giving & Events (Joseph Leon Guerrero) - As earlier reported above by Ms. Reyes with regard to naming opportunities and events. Ms. Reyes and the Board thanked Mr. Joseph Leon Guerrero for his contribution to this subcommittee. Today will be the last day for Mr. Leon Guerrero to serve as a member of this Board.

Planned Giving (Gerry Cruz) – Ms. Reyes reported that there are some materials for planned givers who are on the waiting list.

Scholarships & Endowments (Gina Ramos) – Ms. Reyes reported that during the 35<sup>th</sup> Anniversary Gala, ten (10) recipients were awarded GCC scholarships. These scholarship recipients will also assist with the upcoming Golf Tournament to be held September 22, 2012. Ms. Reyes noted to the Board that this golf tournament is a fundraiser for the scholarship.

Communications (James Martinez) – (None to report at this time)

**V. UNFINISHED BUSINESS**

**1. Construction Projects Updates:**

Foundation Building Renovation: President Okada reported that renovation continues for the Foundation Building and is now 62% complete. She explained that a \$200,000.00 change order was done to secure the second floor due to problems found with the walls. She also clarified that another change order would have to be made delaying the completion of the project towards the end of the year. The President stated she is currently working with the Architect to ensure the building is safe and that it does not collapse as noted in the engineer's report. Lastly, with regard to the coffee shop, "Roasted" is the vendor identified for the coffee shop in the Foundation Building. This is another revenue generation for the College.

**VI. NEW BUSINESS.**

**1. Forensic Lab Extension and Building 200 Renovation.** The President reported the following:



Public Law No. 30-201 authorizes the liquid fuel tax to build the Forensic Lab and Building 200 facilities, however, the Government of Guam debt is at its capacity and the College is looking for another way to work around this. President Okada apprised the Board that with GEDA and USDA's concurrence, there is an opportunity for the liquid fuel tax to be still used to pay for the construction of the two facilities. The College is allowed \$6 Million. In order to go around the debt ceiling issue, there is a finance leasing agreement the College can enter into but it would have to be by a non-profit organization.

Based on USDA and GEDA's concurrence, the President further explained, they have authorized both the UOG Endowment and the GCC Foundation Board of Governors to secure the \$6 Million debt using the liquid fuel tax that comes back to the College for repayment of the debt. The College then leases from the Foundation with an operating lease. The Foundation has to authorize the lease. President Okada further clarified that the Foundation is an agent to secure the debt as a non-profit 501(c) 3 so that the Government of Guam debt ceiling is not touched.

President Okada then summarized that the Foundation secures the funding of \$6 Million and then the College's annual appropriation will receive a percentage of the liquid fuel tax. This is about \$1.3 Million for the projects at GCC and UOG. The College will pay the Foundation to pay USDA.

The President further reported that USDA initially offered 5% interest and later offered 3.5% interest over 40 years by which the funds would have to be obligated no later than September 2012.

President Okada further emphasized that the \$6 Million is for two (2) buildings. She noted that Building 200 is partially funded by this transaction and partially funded by a FEMA grant the College is waiting to be awarded on for over \$2 Million. She reported that the College has an additional funding source to support this facility. The College has already been notified that its grant has been submitted for funding and is just waiting to be awarded. The President explained that the \$2.3 Million funding is for the 1<sup>st</sup> floor and the whole building will be another \$5 Million.

At this time, Board member Gerry Cruz recommended that the College seek legal counsel's opinion regarding a license for the Foundation to lease. Mr. Cruz then asked how the Foundation became lessors of this property. The President explained that it is similar to building a new school on Government of Guam property. She explained that the construction firm builds it and the Guam Public School System through Government of Guam pays it for over a 40 year period. With regard to GCC, she further explained that the same thing will happen with this loan, it will be for an operational lease and the Resolution is a way of authorizing this.

A copy of the draft Resolution was then presented to the Board. The President explained that the Foundation will enter into a loan with the United States Department of Agriculture not to exceed \$6 Million with an interest rate of 3.5% for forty (40) years. The Foundation Board Chairperson and the President will be authorized to execute the loan documents, including the Promissory Note, Loan Resolution Security Agreement, Security Agreement and Assignment of Income and Principal Related to the Reserve Account, and all other necessary documents.

The President further clarified that Public Law No. 30-201 would have to be amended to reflect the change. The estimated annual payment for the loan is approximately \$278,000.00. The College's portion of the liquid fuel tax is approximately \$320,000.00. Any additional money will be used for building operations. She further noted that the architectural designs are almost done and groundbreaking will be this year.

**MOTION**

**IT WAS MOVED BY MS. ANNMARIE MUNA, SECONDED BY JOSEPH LEON GUERRERO THAT THE BOARD ADOPT THE RESOLUTION FOR THE “FORENSIC LAB EXTENSION AND BUILDING 200 RENOVATION.” NONE OPPOSED, MOTION CARRIED. (Voting: 6 ayes, 0 nays)**

**VII. NEXT QUARTERLY MEETING** – Tuesday, July 3, 2012, GCC President’s Conference Room, 12:00 noon.

**VIII. ANNOUNCEMENTS.** Chair Lorraine Okada announced the following:

1. Board member Leonard Calvo is involved with the Father Duenas School Board and there is a conflict to remain on the GCC Foundation Board.
2. Ms. Carline Bukikosa will be asked to serve as a member of the GCC Foundation Board.

**IX. ADJOURNMENT.**

**MOTION**

**IT WAS MOVED BY MS. ANNMARIE MUNA, SECONDED BY JOSEPH LEON GUERRERO THAT THE BOARD ADJOURN THE MEETING OF MAY 16, 2012. NONE OPPOSED, MOTION CARRIED. (Voting: 6 ayes, 0 nays)**

There being no further discussion, the meeting of May 16, 2012 adjourned at approximately 1:05 p.m.

**Submitted by:**



**BERTHA M. GUERRERO**  
**Recording Secretary**

**Approved by:**



**LORRAINE S. OKADA**  
**Chairperson**