

UOG ENDOWMENT FOUNDATION
Regular Board of Directors Meeting
Wednesday, March 20, 2019
World Café, Fiesta Resort, Tumon

1 **CALL TO ORDER**

2 Dr. Wilfred Leon Guerrero called the meeting to order at 4:13 PM.

3
4 The following were present:

5
6 **Board Members**

7 Dr. Wilfred P. Leon Guerrero, Chairman

8 Mr. John T. Calvo, Vice-Chairman

9 Mr. George Chiu, Treasurer

10 Dr. Thomas Krise, Executive Secretary

11 Mr. Jesse A. Leon Guerrero, Director

12 Mr. David John, Director

13
14 **Endowment Staff**

15 Katrina Perez, Interim Executive Director

16 Patty Jean Ranger, Administrative Assistant

17
18 **Guests**

19 Mr. Duane Pahl

20 Sandy Gould-Yow

21
22 **I. APPROVAL OF MINUTES**

23 *Motion: Mr. David John*

24 *Second motion: Mr. George Chiu*

25
26 **II. CHAIRMAN'S REMARKS**

27 **A. New employees to the UOG Endowment Foundation**

28 Ms. Perez explained new changes to UOG Endowment Foundation staff. Ms. Perez then
29 explained Ms. Blas' new role as Accounting Assistant and introduced Ms. Ranger as the new
30 Administrative Assistant. Ms. Perez explained Ms. Ranger's roles within UOG Endowment
31 Foundation and how she will be assisting Ms. Mugol. As explained, Ms. Ranger will assist in
32 outreach to corporate donors and the different UOG colleges for improved relationships
33 with the deans/president to satisfy the needs of UOG. Ms. Perez then told the Board about
34 the new VISTA member, Mr. Suarez. He was brought on to capture and create content for
35 events sponsored by UOG Endowment Foundation. Mr. Suarez will assist Ms. Mugol and Ms.
36 Grainger with social media marketing, video advertisements, and ads for television. Ms.
37 Perez also informed the Board of possibly adding future VISTA members to the staff soon.

38
39 **B. UOG Endowment Foundation New Logo**

40 Dr. Leon Guerrero noticed the new logo that was on the Quarter 1 Agenda and asked Ms.
41 Perez why the logo changed. Ms. Perez explained that UOG Endowment Foundation wants
42 to have a more gender-neutral logo. Mr. Leon Guerrero informed Ms. Perez that any
43 changes being made to UOG Endowment Foundation's logo and branding, needs the Board's
44 approval. Dr. Leon Guerrero suggested to Ms. Perez to provide the Board with three

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1 different options the Board can choose from and bring them to the next Board meeting. Mr.
2 David John suggested that Ms. Perez add in some green coloring in the boarder. Ms. Perez
3 noted the suggestions and informed the Board that she will have some options for the
4 Board to vote on for next session.
5

6 **III. Old Business**

7 **A. Guam Board of Accountancy**

8 Ms. Perez answered the questions about fund usage in the Guam Board of Accountancy
9 account asked in the previous Board meeting. Ms. Perez stated the Guam Board of
10 Accountancy funds were used for the Visiting Professor's Program during the summer
11 semester. Ms. Perez also mentioned that at the last Board meeting it was asked how
12 effective the Visiting Professor's Program was. Ms. Perez stated that she tried to invite Mr.
13 Dave Sanford to the Board meeting, but he was unavailable. Mr. Sanford was able to
14 provide the agreement that was made with the UOG Endowment Foundation. Ms. Perez
15 then stated on page 3 of 6, it states **"Foundation's principles and procedures for advised
16 funds, the commitments, grants or expenditures from the Fund contemplated in this
17 Agreement shall be made to the Agency at such time or times and in such amount or
18 amounts as may be determined by the Foundation; provided, however, that the Agency
19 may from time to time submit to the Agency. All recommendations from the Agency shall
20 be advisory, and the Foundation may accept or reject them, applying reasonable
21 standards and guidelines with regard thereto"**. Ms. Perez states that based on the
22 statement read, to her understanding, it seems like UOG Endowment Foundation is the one
23 who make the decisions and Guam Board of Accountancy Board are the ones who advise
24 the UOG Endowment Foundation on how to use the funds.
25

26 **Discussion:**

27 Dr. Leon Guerrero asked Ms. Perez if she was able to find out of there is flexibility using
28 the Guam Board of Accountancy fund and is this by law of how the money is being
29 used? Mr. Chiu answered "No, it is not by law. Guam Board of Accountancy collects the
30 fees from all these people coming to Guam to take the CPA". Mr. Chiu then states that
31 Ms. Perez should take a look at the Memorandum of Understating (MOU). The MOU
32 states the terms of what you can use the money for. Mr. David John then stated that
33 Guam Board of Accountancy's funds is supposed to be used to pay for the professors
34 who come to Guam to help with the CPA testing. Dr. Leon Guerrero then stated that if
35 there is flexibility maybe Guam Board of Accountancy ought to look at how they can use
36 it for the students directly, whether it is a stipend for the students. Mr. Chiu then stated
37 "the purpose of this fund should be to provide support" for the benefit of the School of
38 Business Accountancy, if the School of Business is falling apart, I think the money can be
39 used to fix the building. Mr. Chiu then added that UOG has a shortage of Accountant

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1 Professors, so UOG has been bringing in off island professors to teach for a couple of
2 semesters. That is one of the purposes of the money being used. If you read the MOU, it
3 has a lot of latitude. Mr. Chiu suggests the UOG Board meet with the Guam Board of
4 Accountancy have a discussion face to face. David John suggested that UOG Endowment
5 Foundation should give a proposal of \$100K and work from there. Mr. Chiu stated to
6 Ms. Perez that Mr. Sanford is the wrong guy to talk to she should talk to Mr. John
7 Onedera. Mr. Leon Guerrero then tells Ms. Perez to schedule a meeting with the Guam
8 Board of Accountancy and the UOG Endowment Foundation Board of Directors.
9

10 **IV. Committee Reports**

11 **A. Land Committee**

12 **1. Today's Realty Report**

13 **A. Lot 177-3-R1 (Yona)**

14 Ms. Gould-Yow first reported on Lot 177-3-R1 (Yona) property and reminded the
15 Board of the pending sale from Mr. Eric Cho. Ms. Gould-Yow then added that as
16 of 03/20/2019 the newspaper ad will be running for 4 consecutive weeks to
17 notify the surrounding landowners of the registration process. Ms. Gould-Yow
18 explained that the newspaper ad gives the surrounding landowners the
19 opportunity to comment if they need. Mr. Pahl then explained that after the
20 newspaper ad is done running and no neighboring property owners respond,
21 then the sale will finally be complete. Ms. Gould-Yow then informed the Board
22 that Mr. Cho's recently mentioned a similar lot previously sold at \$1.70 per
23 square meter. Ms. Gould-Yow expressed to the Board the possibility of Mr. Cho
24 requesting to lower the price of the land from \$3.25 per square meter to \$1.70.
25

26 **Discussion:**

27 Mr. Leon Guerrero asked Ms. Gould-Yow if the land that was sold at \$1.70 was
28 registered? Ms. Gould-Yow was unsure of the answer, but she will verify the information
29 and report back to Ms. Perez her findings. Mr. Leon Guerrero asked Ms. Gould-Yow if
30 the potential buyer signed the agreement of \$3.25 per square meter pending the
31 condition of registration and survey. Ms. Gould-Yow informed Mr. Leon Guerrero that
32 the land was surveyed before Today's Realty could begin the registration process. Mr.
33 Pahl then stated since they have not cleared the property points and have not signed off
34 the contingency, Mr. Cho can still walk away from the transaction if the he is not
35 satisfied with the survey work and the topography. Mr. Calvo asked if the sale was a
36 recent?" Ms. Gould-Yow answered "No, it was possibly 5 years ago." Mr. Leon Guerrero
37 asks if that was the only recent comp in the area? Ms. Gould-Yow answered "since the
38 UOG Endowment Foundation's land is big, both Mr. Pahl and I have to look at lots that
39 are similar in size to compare the comps. Mr. Pahl then stated that as the process
40 continues Ms. Gould-Yow will inform Ms. Perez of the status.
41

42 **B. Lot 3438-A-15R/W, Lot 3438-A-16 & Lot 3438-R16 (Chalan Pago)**

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1 Ms. Gould-Yow then reported on lots 3438-A-15R/W, 3438-A-16 and 3438-R16
2 (Chalan Pago) near Leo Palace. Ms. Gould-Yow informed the Board that the sites
3 have been surveyed and are co-owned with Leo Palace. Ms. Gould-Yow
4 recommended to sell the three lots together instead of individually and remove
5 the easement. If the Board approves to sell the three lots together, then Ms.
6 Gould-Yow recommended the asking price of \$3.25 a square meter which
7 makes the asking price at \$45,084. Ms. Gould-Yow then informed the Board of
8 an offer that was recently received from Mr. John Lin who is looking to purchase
9 the land for \$25K. Ms. Gould-Yow and Mr. Pahl both think that the offer is too
10 low so Ms. Gould-Yow is suggesting that UOG Endowment Foundation
11 counteroffer at \$35K.
12

13 **Discussion:**

14 Mr. Calvo asked Ms. Gould-Yow if Leo Palace wanted to buy the lots from UOG
15 Endowment Foundation? Ms. Gould-Yow responded "No they do not, Leo Palace was
16 the first people they asked before the lots were advertised but they are not interested."
17 Mr. Leon Guerrero asked if the three lots are adjacent to each other? Ms. Gould-Yow
18 answered "Yes". Mr. David John asked Ms. Gould-Yow and Mr. Pahl what their
19 suggestion was. Ms. Gould-Yow replied, "Make the counteroffer at \$35K." Ms. Gould-
20 Yow then explained that the lots are difficult to sell due to their topography. Mr. Chiu
21 asked Ms. Gould-Yow if UOG Endowment Foundation is obligated to sale? Ms. Gould-
22 Yow replied, "No, the UOG Endowment Foundation can hold on to the three lots and
23 over time the lots value may increase." Mr. Chiu then said "UOG Endowment
24 Foundation's goal is not to convert land into cash. UOG Endowment Foundation's goal is
25 to build-up the valuation of the Endowment Fund, if UOG Endowment Foundation just
26 hangs on to the land and waits, the property value may just go up." Mr. Leon Guerrero
27 suggests that UOG Endowment Foundation should counteroffer at \$35K and if the
28 potential buyer does not agree with the price then UOG Endowment Foundation should
29 just hold on to it. Ms. Gould-Yow agreed and then asked if Today's Realty has
30 permission from the Board to relist the lots since the listing is about to expire? Mr. Jesse
31 agreed to have the three lots relisted at \$45K. Mr. Calvo then asked for clarification of
32 listing the three lots at \$45K or individually? Ms. Gould-Yow answered, "listing all three
33 lots for \$45K with taking out the easement." Mr. Pahl then added that the title will be
34 transferred to all three lots. Mr. Pahl then asked if there was someone on the Board
35 who has permission to sign the documents if needed. Mr. Leon Guerrero answered "Yes,
36 Mr. John Calvo has permission." Dr. Leon Guerrero then asked Ms. Gould-Yow to clarify
37 the reason behind the newspaper advertisement. Ms. Gould-Yow then explained that it
38 is law that whenever someone is going to register a piece of land, the buyer must give
39 notice. Ms. Gould-Yow added that it is basically telling the neighbors that they are
40 registering a piece of land, this gives the neighbors or anyone who has land rights to
41 contest the registration. Mr. Pahl then added that the potential buyer was planning on
42 giving the commission back to the UOG Endowment Foundation, so basically, he is
43 buying the land for his employees and is giving his commission back to the Foundation.

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1 Mr. Leon Guerrero stated that Ms. Gould-Yow should have the buyer see the listing at
2 \$45K and then if he is still interested then counteroffer at \$35K.

3
4 **Motion:** Mr. Calvo made a motion to relist the three properties at \$45,084.

5 **Second motion:** Mr. George Chiu

6 **Vote:** Unanimous

7
8 **Motion:** Mr. Calvo made a motion to counteroffer Mr. John Lin's offer of \$25K to \$35K

9 **Second motion:** Mr. George Chiu

10 **Vote:** Unanimous

11
12 **C. Lot 3426-R2 (Chalan Famha, Ordot Chalan Pago)**

13 Ms. Gould-Yow reported on Lot 3426-R2 (Chalan Famha) the Chalan Pago
14 property. Ms. Gould-Yow informed the Board of the condition of the lot stating
15 it is a big empty pit. Ms. Gould-Yow then stated that there is a potential buyer
16 who is interested in the lot and has offered the UOG Endowment Foundation
17 \$65K with terms. Ms. Gould-Yow stated the terms, a \$10K down payment for
18 five years with 8% interest if UOG Endowment Foundation is willing to finance
19 for \$55K. Mr. Pahl added that Today's Realty has advertised this land for two
20 years and the potential buyer has been the only one who has made an offer for
21 this lot. Ms. Gould-Yow then informed the Board that the potential owner wants
22 to fill the empty pit.

23
24 **Discussion:**

25 Mr. Chiu asked, "What is the square meter of the lot?" Ms. Gould-Yow replied with "20K
26 square meter". Mr. Chiu then did the math and calculated that it would cost \$3.00 per
27 square meter. Mr. David John then asked Ms. Gould-Yow of the procedure of acquiring a
28 mortgage in this situation? Does the UOG Endowment Foundation lawyer have to be
29 involved? Ms. Gould-Yow replied, "The title company usually handles that portion". Ms.
30 Gould-Yow recalled Security Title using Mr. Tim Roberts from Roberts Fowler & Visosky.
31 Dr. Leon Guerrero then asked Ms. Gould-Yow to clarify what owner finance means. Ms.
32 Gould-Yow then replied, "Owner finance is when the buyer gives you \$10K as a down
33 payment and every month for the next five years the owner will pay you a monthly
34 payment. Basically, UOG Endowment Foundation will be acting like a bank." Dr. Leon
35 Guerrero then asked, "Will the buyer be paying interest?" Ms. Gould-Yow answered
36 "Yes, the buyer will pay 8% interest on top of the monthly payment." Mr. Pahl then
37 added that if the buyer does not pay the monthly balance by the 5th of every month,
38 there will be a penalty. Mr. Chiu then asked Ms. Gould-Yow if instead of monthly
39 payments, can they do quarterly payments instead? Ms. Gould-Yow replied, "the
40 quarterly payments could be the UOG Endowment Foundation's counteroffer". Mr.

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1 Leon Guerrero then recommended that Mr. Ryan Mummert at Title Guaranty look over
2 the offer and prepare the package. Ms. Gould-Yow was unsure if the potential buyer
3 had made his offer with a preferred title company, but will check and report her findings
4 to Ms. Perez. Dr. Leon Guerrero then stated that he would like UOG Endowment
5 Foundation to do the complete packet including the finance portion so UOG
6 Endowment Foundation can monitor continuity. Ms. Gould-Yow added that UOG
7 Endowment Foundation would have to counteroffer the quarterly payments because
8 the potential owner wanted to do monthly payments. Ms. Gould-Yow also added that
9 since UOG Endowment Foundation would like to close with Title Guaranty, UOG
10 Endowment Foundation would also have to counteroffer that portion, since the closing
11 company is usually the buyer's choice. Mr. Calvo added that he would like the papers to
12 be submitted to him prior to the closing so he can run it by the Board. Mr. Pahl agreed
13 and stated that he will have Title Guaranty prepare the paperwork and submit it to UOG
14 Endowment Foundation or have Mr. Black work with Today's Realty to prepare the
15 promissory note, the mortgage and the monthly/quarterly schedule so UOG
16 Endowment Foundation can know what the monthly/quarterly payments will be.
17

18 **Motion:** *Mr. Jesse Leon Guerrero motioned to sell lot 3426-R2 (Chalan Famha, Ordot Chalan*
19 *Pago) at \$65K based on the terms of owner finance of five years with \$10K down payment, 8%*
20 *interest with a counteroffer of quarterly payments instead of monthly payments and to close*
21 *with Title Guaranty. Lastly, the owner finance will be secured by mortgage and promissory note*
22 *prepare by Baumann & Associates on behalf of UOG Endowment Foundation or the Title*
23 *company.*

24 **Second motion:** *Mr. David John*

25 **Vote:** *Unanimous*
26

27 **D. Lot 244-R-1 (Inarajan)**

28 Ms. Gould-Yow reports on Lot 244-R-1 (Inarajan) location, size and condition.

29 Ms. Gould-Yow states that since this lot is in a remote location, she
30 recommends the Board to lower the price from \$2.99 a square meter to \$1.99 a
31 square meter or take the lot off the market and just hold on to it. Mr. Pahl then
32 added that since the Board is willing to do owner finance, it gives Today's Realty
33 a little flexibility in terms of ways they can offer this lot with terms.
34

35 **Discussion:**

36 Mr. David John recommended UOG Endowment Foundation not lower the price until
37 UOG Endowment Foundation knows the true condition of the lot. Mr. Chiu then asked,
38 Ms. Gould-Yow and Mr. Pahl if they know if the lot was a flat surface? Ms. Gould-Yow
39 responded with uncertainty. Since the survey points are not marked both Ms. Gould-
40 Yow and Mr. Pahl must gauge the pricing based on the information provided. Mr. Pahl

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1 recommended that UOG Endowment Foundation does a partial survey to establish an
2 idea of the lot's condition. Ms. Gould-Yow recommends that if UOG Endowment
3 Foundation wants to try to sell the lot, then to reduce to \$1.99 a square meter and try
4 that for six months. If the lot does not sell, then UOG Endowment Foundation can take
5 the lot off the market and just hold on to it. Mr. Leon Guerrero asked Mr. Pahl to get a
6 quote to see how much a partial survey would be for the lot. Mr. Calvo asked the Board
7 if they are willing to use some of the proceeds from one of the other sales to conduct a
8 partial survey to at least identify points of the property so Today's Realty can show it to
9 potential buyers?

10
11 **Motion:** Mr. Jesse Leon Guerrero motioned to accept Today's Realty's recommendation to lower
12 the lot price from \$2.99 a square meter to \$1.99 a square meter with the option of owner
13 financing with terms.

14 **Second motion:** Mr. George Chiu

15 **Vote:** Unanimous
16

17 **B. Comprehensive Campaign Committee**

18 **1. Comprehensive Campaign Packet**

19 Ms. Perez discussed the comprehensive campaign packet and informed the Board that
20 each Comprehensive Campaign Packet will have a personalized letter catered to the
21 corporation they are meeting. There will be letters from both Dr. Krise and Mr. David
22 John along with inserts from events that Ms. Mugol and Ms. Perez believe the
23 corporation would be interested in potentially sponsoring.
24

25 **Discussion:**

26 Dr. Leon Guerrero asked Ms. Perez, "When is this packet going to be available?" Ms.
27 Perez stated that she hopes to finalize by the packet by the end of the week. Ms. Perez
28 also said that both Ms. Mugol and she used a soft draft with GTA's marketing team that
29 morning. Ms. Perez stated that GTA was considering the Conference of Island
30 Sustainability and the Talofof Surf Classic.
31

32 **2. Upcoming Events**

33 **A. Conference on Island Sustainability**

34 Ms. Perez gave an update on the Conference of Island Sustainability's scheduled
35 date of April 08th to April 12th and informed the Board that UOG Endowment
36 Foundation has helped raise over \$140K in sponsorships alone. Ms. Perez stated
37 that per Ms. Mugol, this year Conference of Island Sustainability is exceeding
38 last year's sponsorship and that the event is gaining a lot of momentum.
39

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1 **B. SEPRS Scholarship Luncheon**

2 Ms. Perez then gave an update on the 2nd Annual SEPRS Luncheon which will be
3 held at Hilton Guam Resort & Spa on April 27th. Ms. Perez stated at this
4 luncheon the Emeritus Society will be presenting the scholarship awardees with
5 their letter of scholarship acceptance. Ms. Perez then notified the Board that
6 UOG Endowment Foundation has a table and invited them to attend.
7

8 **3. Capital Campaign**

9 **A. School of Engineering- \$5K Pledge form Hawaiian Rock**

10 Ms. Perez stated that UOG Endowment Foundation has already received the
11 \$5K check from Hawaiian Rock. Ms. Perez then explained that each school has a
12 fundraising committee and both Ms. Mugol and Ms. Grainger are invited to sit
13 in on their meetings to help engage with the corporate donors and to make sure
14 the schools are not reaching out to the same donors UOG Endowment
15 Foundation has already contacted. Ms. Perez also stated that the School of
16 Engineering started sending out solicitation letters and Mr. David John
17 suggested to meet with Black Construction. Ms. Grainger is trying to have a
18 meeting for bigger donation opportunities. Ms. Perez stated that she is leaning
19 towards classrooms/building naming opportunities verses spending money on
20 events that have more expenses associated with them for a short time. If UOG
21 Endowment Foundation can get the money endowed for a naming opportunity,
22 UOG Endowment Foundation can invest the funds and reallocate some of the
23 funds for preventative maintenance on an annual basis.
24

25 **Discussion:**

26 Mr. Leon Guerrero asked Ms. Perez if they approached GTA. Ms. Perez answered, "No
27 but we will keep them on the list".
28

29 **4. Marketing Material in Progress**

30 **A. Annual Report**

31 Ms. Perez explained that the annual report is something UOG Endowment
32 Foundation previously produced. Ms. Perez stated that having an annual report
33 will help when reaching out to corporate donors because it will show them how
34 much money was raised and what the funds was used for. Ms. Perez said that by
35 having an Annual Report that includes monetary gains and programs UOG
36 Endowment Foundation is involved with, might have a positive effect with
37 donors. Ms. Perez stated she is hoping to have the Annual Report ready with the
38 Comprehensive Campaign by the end of the week.
39

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1 **B. Brochure**
2 Ms. Perez passed around the brochure for the Board to look at. Ms. Perez then
3 informed the Board that the brochures will be distributed at the various events
4 UOG Endowment Foundation will sponsor.

5
6 **C. Website**
7 Ms. Perez explained that the website lacks the desired aesthetics. She goes on
8 to express that the UOG Endowment Foundation wants the website to be
9 interactive with the other types of social media along with being visible to
10 alumni. Another goal of the new website is to be a landing page for students
11 interested in scholarships, so they do not have to search around to find out
12 what scholarships are available.

13
14 **Discussion:**
15 Mr. David John asked, "Who is working on the website? Ms. Perez answered, "It is an in-
16 house web developer. They are UOG employees, Mr. Macapinlac's team."

17
18 **D. Social Media: Facebook and Instagram**
19 Ms. Perez stated that UOG Endowment Foundation has both a Facebook and
20 Instagram accounts. These social media accounts will be monitored by Ms.
21 Mugol, Ms. Grainger and Mr. Suarez and will allow UOG students to see what
22 events are happening.

23
24 **C. Finance Committee**

25 **A. Investment Advisor Reports**
26 Ms. Perez presented the current market value of quarter to date, year to date and since
27 inception. Ms. Perez then referred the Board to Tab C and stated according to both
28 Raymond James and BG Investments, UOG Endowment Foundation is adhering to the
29 IPS. However, there was a suggestion that not all accounts should be held to the same
30 IPS asset allocation. Ms. Perez then gave an example with the Capital Campaign
31 account. It should not have the same IPS as the scholarships. Mr. David John then added
32 that UOG Endowment Foundation should base the needs of the account allocation on
33 individual funds. Mr. David John also stated that BG Investments and Raymond James
34 are working on correcting that portion and will report back to the Finance Committee.
35 Ms. Perez then added that Raymond James has taken the lead on the IPS asset
36 allocation project. Ms. Perez then stated that she is working on a 2-fold project with
37 both BG Investments and Raymond James. The first project is to unitize the UOG
38 Endowment Foundation funds. Ms. Perez stated that she wants to be able to look at the
39 unitizing books and associate the funds in the investments, so they can determine the

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1 breakdown of each earning associated with the particular funds. Ms. Perez stated the
2 reason behind this project, saying that in the past, the administration fees were not
3 deducted from the endowed funds with Raymond James accounts. Ms. Perez then
4 stated her concerns about the Guam Board of Accountancy account because Mr.
5 Sanford has the ability to see the account balance and there have not been any
6 administration fees deducted.

7
8 **Discussion:**

9 Mr. Chiu stated that Raymond James should be pulling the 2.5% from that account every
10 year. Ms. Perez then stated that on the books, there is already the calculation of the
11 administration fees but the cash account itself has not been done. Mr. Chiu then stated
12 that as long as Raymond James is recording the 2.5% for the administration fees then
13 you are fine.

14
15 Ms. Perez stated the second project she is working on with Ms. Gima, is creating a
16 separate bucket so all the 2.5% for the administration fees to be reallocated into that
17 new bucket. The earnings from administration fees that are collected can then be used
18 for any UOG Endowment Foundation needs in the future. Ms. Perez then stated the
19 other issue mentioned was the Administration fees calculation. Deloitte has been
20 responsible for the funds reconciliation for the account balance the way they apply the
21 administration fee calculation. Deloitte was taking what the balance is at the end of the
22 year and then deducted the 2.5% or what was agreed upon from that balance. For some
23 people, it did not seem fair. Ms. Perez used the example of the Fred Horeckey
24 scholarship. He has been giving \$10K for the past couple of years, but if he gives his
25 \$10k at the end of the year, if he's only had the funds in the account for 2 months and
26 then get deducted the 2.5%. Ms. Perez stated that one of the motions from the Board of
27 Directors is to have the administration fees calculated on a quarterly basis and not have
28 a pro-ration. The account balance at the end of the quarter, the beginning of the next
29 quarter, is the basis the amount UOG Endowment Foundation will calculate and deduct
30 the administration fees from.

31
32
33 **Motion:** *Mr. George Chiu made a motion to approve UOG Endowment Foundation*
34 *administration fees to be calculated and charged on a quarterly basis. Based on the ending*
35 *balance of the prior quarter and charged in the first month of the following quarter. No pro-*
36 *ration of administration fees for mid quarter fund activities.*

37 **Second motion:** *Mr. Leon Guerrero*

38 **Vote:** *Unanimous*
39

40 **B. BGIS Margin Loan**

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1 Ms. Perez informed the Board that Bank of Guam gave her 2 options to be able
2 to get a loan directly from them. The first option was to use the Bank of Guam
3 accounts as collateral or the second option was to put \$1.4 million into a CD.
4 Ms. Perez stated the Finance Committee thought the interest rates were a bit
5 high and recommended to use the General Endowment Account to be used as
6 collateral for the margin loan to avoid tying up both Bank of Guam accounts as
7 collateral. Ms. Perez then stated that the Finance Committee also
8 recommended that the UOG Endowment Foundation charge UOG an interest
9 rate of 0.25% on top of the margin loan rate.

10
11 **Motion:** Mr. Jesse Leon Guerrero made a motion that the General Endowment Account be used
12 as collateral for the margin loan.

13 **Second motion:** Mr. David John

14 **Vote:** Unanimous

15
16 **Motion:** Mr. Jesse Leon Guerrero made a motion for UOG Endowment Foundation to charge
17 UOG an interest rate of 0.25% on top of the margin loan rate.

18 **Second motion:** Mr. George Chiu

19 **Vote:** Unanimous

20
21 **C. Proposed BOG Account**

22 Ms. Perez stated that the Finance Committee also recommends that UOG
23 Endowment Foundation should open a Bank of Guam account to house any
24 transactions between UOG and UOG Endowment Foundation pertaining to the
25 BGIS Loan. This is to ensure all transactions pertaining to this loan are separated
26 from the regular UOG Endowment accounts.

27
28 **Discussion:**

29 Mr. Leon Guerrero asked if the Bank of Guam account was for this specific loan. Ms.
30 Perez answered, "Yes, it's related to this loan." Mr. Chiu then asked if this matter
31 requires the Board to conduct a vote or does the chairman just have to sign the
32 resolution. Mr. Leon Guerrero answered, "There needs to be a vote to do the
33 resolution". Mr. Chiu then asked if the resolution is a bank requirement. Ms. Perez
34 answered "that is correct, Bank of Guam is requiring a resolution"

35
36 **Motion:** Mr. George Chiu made a motion to open a Bank of Guam account and have a resolution
37 made to be submitted to the bank signed by the UOG Endowment Foundation secretary.

38 **Second motion:** Mr. John Calvo

39 **Vote:** Unanimous

40
41 **D. SBPA Debt Service**

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1 Mr. David John explained that SBPA still needs funding for their debt service and
2 reminds the Board that in past years UOG Endowment Foundation gave SBPA
3 \$200K each year. Unfortunately, the past couple of years UOG Endowment
4 Foundation has not been doing so. Mr. David John proposed that UOG
5 Endowment Foundation get back on track with paying some of the debt service
6 and recommended the UOG Endowment Foundation try to pay up to \$100K
7 each year pending a yearly approval from the Board. Mr. David John stated that
8 \$82K will come from the dividends from the Bank of Guam stocks and the other
9 \$20K from other sources.

10
11 **Discussion:**

12 Dr. Leon Guerrero states that with the \$82K in dividends, UOG Endowment Foundation
13 will need to raise roughly \$20K each year. Mr. David John added that the Finance
14 Committee was looking to use the Leon Guerrero family's annual contribution of \$25K
15 and that once it is depleted, the Finance Committee will have to find another source for
16 the remaining balance. Dr. Leon Guerrero asked Mr. David John if UOG has been asking
17 for the money for the debt service and asked if there was any documentation where
18 UOG itself is asking for the money? Ms. Perez stated that UOG has been invoicing UOG
19 Endowment Foundation for the \$200K. Mr. Chiu then stated that UOG has been
20 invoicing UOG Endowment Foundation for the \$200K but UOG Endowment Foundation
21 has no legal requirements to pay the \$200K. Mr. David John added that it was a
22 misunderstanding on both parties and suggested that the Board finds a way to help
23 clear the debt. Dr. Leon Guerrero then asked if UOG Endowment Foundation can see if
24 Guam Board of Accountancy can give the other \$100K to get back on track. Mr. Chiu
25 also stated that he thinks the Guam Board of Accountancy should help pay for SBPA
26 because if there is no SBPA then there is no school for the accountancy students. Mr.
27 Chiu then asked if the Board is okay with buying additional Bank of Guam stocks so the
28 dividends can add up to the \$100K to use for the debt service? Mr. Chiu also added that
29 this conversation should be brought up to the Finance Committee because as of right
30 now UOG Endowment Foundation has approximately \$82K in Bank of Guam stocks. Is it
31 possible to buy additional Bank of Guam stocks as an investment through the UOG
32 Endowment Foundation's money and to set aside the \$100K? Dr. Leon Guerrero stated
33 that the people on the Finance Committee should come up with strategies on how to
34 reach the \$100K service debt goal and inform the Board of the suggestions and the
35 Board can decide. Mr. Chiu agrees with Dr. Leon Guerrero's recommendation. Ms. Perez
36 then stated to the Board that UOG Endowment Foundation is on the Bank of Guam
37 stock list and Ms. Amoretta will inform Ms. Perez if any stock is available for purchase.
38

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1 *Motion: Mr. David John made a motion to use \$100K with the Board of Director's yearly*
2 *approval. \$82K from the dividends of the Bank of Guam stocks and UOG Endowment Foundation*
3 *will come up with the shortfall of \$20K*

4 **Second motion: Mr. George Chiu**

5 **Vote: Unanimous**

6
7 **E. Review of Incoming Funds**

8 Ms. Perez provided the Board with a handout of the Incoming Funds for the
9 remainder of the year. Ms. Perez then stated that if any of the Board of
10 Directors had any questions, she will be available to answer them.

11
12 **II. New Business**

13 No Remarks

14
15 **III. Executive Session**

16 Dr. Leon Guerrero informed Ms. Perez the reason for the Executive Session and informed her
17 that each member of the UOG Endowment Foundation staff will receive a year-end bonus at 1-
18 month salary pro-rated. Mr. Chiu then added that if the staff member was not there on 31
19 December 2018, they will not receive a year-end bonus. Mr. David John also added that anyone
20 who left during the year does not receive a bonus either, the person must be on payroll on 31
21 December 2018 to qualify.

22
23 **Discussion:**

24 Ms. Perez stated to the Board that Ms. Grainger was under contract with the VISTA
25 program, so she was paid \$1,000.00 a month federally. Mr. Leon Guerrero asked if Ms.
26 Grainger was on UOG Endowment Foundation's payroll. Ms. Perez replied that Ms.
27 Grainger was technically not on payroll for UOG Endowment Foundation, but she was a
28 part of the team. Mr. David John asked if Ms. Grainger did good work? Ms. Perez replied
29 "Yes, she is my wordsmith." Mr. David John then asked if she was on the team for full
30 whole year. Ms. Perez answered "Yes" Mr. Chiu then added that Ms. Grainger will get a
31 year-end bonus. Mr. Calvo then asked if Ms. Perez had a contract for Ms. Grainger? Mr.
32 Leon Guerrero answered "Yes." Mr. Calvo then suggested Ms. Perez to take a look at her
33 contract to make sure there are no stipulations about the bonus in the contract. Mr.
34 Leon Guerrero then stated that he does not think there are any stipulations on Ms.
35 Grainger's VISTA contract that will prevent her from receiving the Year End Bonus.

36
37 **IV. Adjournment**

38 Quarter 1 Board Meeting of the Board of Directors was adjourned at 5:57 pm on Wednesday,
39 March 20, 2019.


40

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Wednesday, March 20, 2019
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1 **V. Announcements**
2 No Remarks

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AFFIRMED/APPROVED ON:


Dr. Wilfred P. Leon Guerrero
CHAIRMAN

10
11
12
13
14
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17
18

ATTESTED BY:


Dr. Thomas W. Krise
EXECUTIVE SECRETARY