

1 **I. CALL TO ORDER**

2 **A. The Q2 2019 Meeting of the Board was a called to order at 3:05 pm on**
3 **Wednesday June 12, 2019.**

4
5 The following were present:

6
7 **Board Members:**

8 Dr. Wilfred Leon Guerrero, Chairman

9 Mr. George Chiu, Treasurer

10 Dr. ~~Annette~~^{ANTIA} Enriquez for Dr. Thomas Krise, Executive Secretary

11 Gov. Joseph Ada, Director

12 Mr. Jesse Leon Guerrero, Director

13 Dr. Saied Safabakhsh, Director

14
15 **UOG Endowment Staff:**

16 Ms. Katrina Perez, Interim Executive Director

17 Ms. Myracle Mugol, Associate Director

18 Ms. Jenei Aguon, Development Coordinator

19 Ms. Patty Ranger, Accounting Assistant

20
21 **Guests:**

22 Mr. Jerold Filush, Board of Regents

23 Mr. Manny Hechanova, Interim Chief Information Officer

24 Mr. Randall Wiegand, Vice President, Administration & Finance

25
26 **II. APPROVAL OF THE MINUTES**

27 **A. March 20, 2019 (Exhibit A)***

28 **Motion to approve; subject to correction: Mr. Jesse Leon Guerrero**

29 **Second: Mr. George Chiu**

30 **Vote: Unanimous**

31
32 **III. CHAIRMAN'S REMARKS**

33 Chairman Wilfred Leon Guerrero suggested that they skip around on the agenda. The
34 items that have asterisks require board action.

UOG Endowment Foundation
Regular Board of Directors Meeting
Wednesday June 12, 2019
Raymond James- Conference Room
Maite, Guam

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34

IV. OLD BUSINESS

A. UOG Endowment Foundation Logo (Exhibit B)*

Chairman Wilfred Leon Guerrero suggested that the UOGEF team share their suggestions for the new logo. If there are no objections, then they can use the logo. Mr. George Chiu asked what was wrong with the old logo. Ms. Perez explained that the old logo is dated and has many colors, making it difficult to align with event themes and the UOG "Big G" and seal. The new logo allows UOGEF to be monochromatic, so we can have the logo in black, Triton green and even white. Ms. Mugol added that this new logo will cut costs when ordering promotional items as well because we've reduced it to monochromatic. The logo also goes with UOG's "Big G" and seal a lot better. It makes it seem like UOGEF is partnering with UOG instead of being a completely separate entity.

Discussion:

Mr. George Chiu did not like the new logo. He didn't believe the name should be the logo. Though he did eventually concede with saying that he liked the logo sample with the island of Guam silhouette. Gov. Joseph Ada said as long as UOGEF didn't get rid of the beautiful flower and shell, then he liked it.

The discussion was tabled.

V. COMMITTEE REPORTS

A. Land Committee- John Calvo, Committee Chair (Exhibit C)

The Land Committee meeting was held on June 5, 2019. Ms. Perez reminded the Board that the Linda Look property in Inarajan has been on the market for the past two years and has not had any interest. Currently, we have been operating under the valuation of the land given by the donor and have noticed that the valuation from the donor and the valuation from Revenue & Taxation differ. The finance committee's suggestion is to use some of the funds coming in from the sale of the Ordot-Chalan Pago property and the Yona properties to have an actual appraisal done for the Inarajan property. The estimate from Today's Realty is \$5,000 - \$7,000.

Discussion:

Mr. George Chiu suggests keeping the land on the books. The cost of the appraisal is high and it will not move in the current land market conditions. It would be better to keep the land on UOGEF's balance sheet and hold onto the land until conditions in the land market change. Ms. Perez informs the board that there is a \$51K impairment on this property. Mr. George Chiu says just take the impairment in the 2016 audit report.

1 The Board's position is to just wait a while and see what happens.

2 ***Motions made during Finance Committee Report (Item 5)**

3 **B. Comprehensive Campaign**

4 Ms. Perez informs the Board that there have been updates to the packet and it has gone
5 out to some of the major UOGEF donors already. Ms. Mugol confirms, saying that UOGEF
6 has received commitments from Matson, GTA, and Coast360 for monetary and in-kind
7 donations. United will be sitting down with UOGEF again sometime soon. GWA donated
8 \$10K to the CIS Conference and is looking to make that an annual donation.

9 The Annual Giving Campaign usually starts in November, but outreach for the campaign
10 may begin earlier this year. When Ms. Perez and Ms. Mugol were in Saipan this past May
11 relations with UOG alumni and team leads for the CNMI "G is for Giving" campaign for
12 2019 and forward were established. Outreach will continue as the campaign approaches.
13 UOGEF will also be working with small businesses during this time, where a portion of the
14 purchases made at these locations will go to the campaign. There will also be some
15 outreach events coming up, including the Legacy Donor Dinner. This is for donors that
16 gave in the 70's and 80's, to thank them and re-establish contact for possible future
17 donations. The event will be held sometime in July. Ms. Perez also stated that UOGEF has
18 spoken to the deans of the different schools and their mixers are being planned. Those
19 will happen in the months of August to November.

20 **C. Finance Committee**

21 **1. Investment Advisor Reports**

22 Ms. Perez told the Board that there are multiple proposals and things that need
23 action. She announced that the Investment Advisor Reports were enclosed for the
24 board to peruse.

25 **2. Consolidated IPS**

26 Ms. Perez told the Board that Raymond James and BGIS were tasked with putting
27 together a consolidated investment policy statement. As the report was being drafted,
28 a question arose about whether Capital Campaign Funds are required to adhere to 5%
29 spending limit. All other funds that UOGEF has adheres to this spending limit. Ms.
30 Perez said that she did some research and found that in 2011 there was discussion
31 about keeping the funds separate, but nothing saying if there should be a spending
32 limit or not. She also asked former UOGEF Executive Director Mark Mendiola. Based

UOG Endowment Foundation
Regular Board of Directors Meeting
Wednesday June 12, 2019
Raymond James- Conference Room
Maite, Guam

1 on his memory, there was no spending limit, but there is no documentation to that
2 effect. So, the first proposal is, to determine if there should be a spending limit.

3 **Discussion:**

4 Mr. George Chiu says that there should be no spending limit because the funds are for the
5 Capital Campaign which is for infrastructure. If you put a 5% spending cap on the funds it
6 would take 10 years to get to 50%. Use of the funds should be on a case by case basis subject
7 to Board approval.

8 **Motion:** Mr. Jesse Leon Guerrero motioned to approve that there be no spending limit on the
9 Capital Campaign Account. However, each request should be subject to Board approval.

10 **Second:** Mr. George Chiu

11 **Vote:** *Unanimous*

12
13 Ms. Perez stated that the comprehensive investment policy statement was put together. She
14 had two versions of page 18, one with the spending limit and one without. She said that since
15 the Board passed that there be no spending limit she will replace page 18 with the version
16 that has no spending limit. So, the next proposal should be the acceptance of the
17 Comprehensive Investment Policy Statement provided by Raymond James and BGIS.

18 **Discussion:**

19 Mr. George Chiu asked if the comprehensive investment policy statement included the Bank
20 of Guam. Was it a merged version? Ms. Perez replies that they did. The formatting was
21 adjusted by Amanda, but they supplied the same information.

22 **Motion:** Mr. Jesses Leon Guerrero motioned to approve the Comprehensive Investment Policy
23 Statement.

24 **Second:** Mr. George Chiu

25 **Vote:** *Unanimous*

26
27 **3. USDA Loan**

28 **Discussion:**

29 Mr. Jesse Leon Guerrero asked Ms. Perez if she got the letter that they requested. Ms. Perez
30 told him that as per Sonny, USDA is hesitant to send the letter without a reapplication. Mr.
31 Jesse Leon Guerrero asked, "Why? All UOGEF Board is asking for is confirmation in a letter
32 stating that the law under the new administration makes the previous loan ineligible because
33 the 2 buildings under the loan were not completed in the five-year period. And they want us
34 to reapply and the interest is going to be 2 points higher. Instead of 2.25% it's going to be
35 4.25%." Gov. Joseph Ada Joseph Ada asked about the five-year start date. Didn't it start when

1 everything was signed, not when you apply? We didn't get approved until recently. Mr. Randy
2 Wiegand responded that according to USDA there was something that triggered the timer in
3 September 2014. Mr. Jesse Leon Guerrero said he always asked if they were going to
4 withdraw the loan and every time they said no, it's protected, it's protected. You need to
5 point it out to them and show them the facts and show them it's not our fault. Mr. Randy
6 Wiegand said that in the meeting with the local USDA, UOG, and Ms. Perez, USDA stated, that
7 if we reapply it will be an expedited review. Mr. George Chiu suggested that they get a bridge
8 loan and protest the requirement to reapply for the Engineering Building but go ahead and
9 reapply for the Student Success Center. USDA is saying something in September 2014
10 triggered the timer and even though the 5-year law didn't apply then, because we signed the
11 documents in 2016 when the law did apply the five-year law did apply to the 2014 trigger. Mr.
12 George Chiu asked when the review would be approved, if expedited. Mr. Randy Wiegand said
13 it would be approved by September this year if we reapplied. The discussion was tabled for an
14 upcoming meeting.

15 **4. General Endowment Award**

16 Ms. Perez told the Board that the School of Engineering is requesting \$20,000 for Fall
17 Semester laboratory equipment that is needed for one of the classes. She reminds the
18 board that they have allowed a portion of the Linda Look Property sales to be used for
19 projects by the deans of the different schools.

20 **Motion:** Motion to approve; Gov. Joseph Ada

21 **Second:** Mr. George Chiu

22 **Vote:** *Unanimous*

23
24 **5. Land Impairment**

25 Ms. Perez reports that there was a large difference in the Linda Look property value
26 between what UOGEF has recorded and what the Revenue & Taxation values it at. A
27 \$2.6M difference. The value recorded by UOGEF was from what the donor valued the
28 property at. This was an issue that came up in the 2016 audit report. Ms. Perez states
29 that the Finance Committee needs a recommendation to restate the values of 2016 so
30 that discrepancy is removed in the 2017-2018 Audit Reports.

31 **Discussion:**

32 Mr. George Chiu told Chairman Dr. Wilfred Leon Guerrero that they looked through the
33 records. The property was supposed to be booked at the Rev & Tax amounts. For whatever
34 reason, the land was booked at \$6.4M and the footnote on the entry says it was based on Rev
35 & Tax property values, but the Rev & Tax Property values were \$4.4. Basically, we are going to

UOG Endowment Foundation
Regular Board of Directors Meeting
Wednesday June 12, 2019
Raymond James- Conference Room
Maite, Guam

1 have a paper loss in 2016. Mr. George Chiu recommended to the Board that they take the
2 whole paper loss of \$2.5M for 2016 because then 2017 and 2018 will have clean audit and
3 when put side by side the discrepancy will not even show up anymore. It will just look a lot
4 better. Gov. Joseph Ada asked if there is any tax issue for Linda Look. Mr. George Chiu said
5 that from his understanding there was no tax deduction taken when Linda Look donated the
6 property.

7 **Motion:** Mr. George Chiu recommended to the Board to take the impairment of \$2.5M for
8 financial statements of 2016 audit.

9 **Second:** Gov. Joseph Ada

10 **Vote:** *Unanimous*

11
12 **VI. NEW BUSINESS**

13 **A. MARIIX, Cloud Fare, and Hurricane Electric**

14 Mr. Manny Hechanova, acting CIO for UOG's Office of Information Technology, presented a
15 partnership proposal for a project called the Marianas Internet Exchange (MARIIX). MARIIX
16 would allow UOG to become a neutral internet carrier and will allow local pairing which is
17 currently unavailable due to the competitive nature of the internet businesses on Guam. The
18 internet companies do not communicate with each other, and therefore there is no way for a
19 local pairing to be established. Mr. Hechanova explained that Hurricane Electric is willing to
20 set up the equipment and give UOG 2 GB of bandwidth out of a 10 GB line. This will allow UOG
21 to be a Hub with access to its own content connection and content cache.

22 **Discussion:**

23 Gov. Joseph Ada asked Mr. Hechanova why they need UOGEF. Mr. Hechanova responded that
24 it would add credibility to the project. Gov. Joseph Ada also asked if there was any monetary
25 requirement. Mr. Hechanova said that they do not need any money from UOGEF, but there
26 will be funding from other sources. Mr. Jesse Leon Guerrero asked why they aren't running
27 the program through the University. MR. Hechanova explained that if they did run the
28 program through the University "it would run like the Professional International Programs
29 with the funds housed with UOGEF, but with a project like this you want to think about
30 sustainability. It needs to have the ability to change with the market and adapt to the user
31 needs. Gov. Guam procurement can't keep up with that." Mr. Randy Wiegand said that their
32 attorney said there were procurement issues. Dr. Enriquez said that the Board needs to decide
33 what is allowable under the UOGEF charter and whether the UOGEF board feels that they
34 could support the enterprise. "I've seen this happen with the Native Hawaiian Advancement
35 where they're an NGO, but they have this profit generating enterprise but for the purpose of
36 some kind of social good."

UOG Endowment Foundation
Regular Board of Directors Meeting
Wednesday June 12, 2019
Raymond James- Conference Room
Maite, Guam

1 Mr. Jerold Fliush asked why the two big telecom companies on Guam currently would want to
2 be part of the project. Mr. Randy Wiegand responded that it will save everyone money if they
3 don't have to send the information all around the world before coming back to Guam. Mr.
4 Hechanova also told the board that the content delivery and caching capabilities that MARIIX
5 will be able to offer will draw the companies to the project too. Gov. Joseph Ada asked what
6 revenue could be expected from the project. Mr. Hechanova explained that there is a low-cost
7 entry for customers and the pricing will be determined by metering and the number of
8 downloads. Gov. Joseph Ada also questioned what the cost to the Board for this project would
9 be. Mr. Hechanova says that UOG just needs their support.

10 There has already been an agreement with Hurricane Electric. They're going to bring in
11 equipment and give us 2 GB Bandwidth for five years. Mr. George Chiu asked, "They're only
12 coming in with a 10 GB t-line?" Mr. Hechanova said that they're giving UOG 2 GB at no cost to
13 the University in bandwidth. UOG currently only has 750 MB of bandwidth. The home user has
14 about 50 MB of bandwidth. Mr. George Chiu asked what the difference between bandwidth
15 and speed was. Mr. Hechanova explained that bandwidth is the lanes on a highway and speed
16 is how fast you get to drive down it. Gov. Joseph Ada asked if they will have the capacity to
17 increase the volume. Mr. Hechanova said yes, the 2 GB is the starting point and as demand
18 grows we can always negotiate for higher. Gov. Joseph Ada stated that he didn't like the idea
19 because there was no liability. Mr. George Chiu asked if UOG will be competing with the
20 private entities. Mr. Hechanova said that initially they will not be competing with the private
21 companies because UOG will have a smaller cache than the major companies and UOG would
22 like to use their cache for educational purposes. Dr. Wilfred Leon Guerrero said that the
23 project sounded like it was being set up as a private company. Mr. Hechanova said that the
24 benefit of the project is that it gives UOG students an opportunity to get the experience they
25 need to go into the fields they are studying in as far as Information Technology.

26 Mr. George Chiu asked what Hurricane Electric is getting out of the agreement. "Are they
27 bringing in their own landing cables or their going to use one of the providers cables? That's
28 what I don't understand, how is it all local if they're going to use GTA's landing cable?" Mr.
29 Hechanova said that they're going to be connected to a local service provider to get from a
30 cable landing station to our office. That's the agreement. That's the 10 GB line that gets to our
31 office. Mr. George Chiu said, "Okay, so the 10 GB line gets to our office, UOG gets 2 GB. What
32 are they going to use the other 8 GB for?" Mr. Hechanova said that it was for their marketing
33 as they try to build their worldwide network. UOG is just a node for them.

34 Mr. George Chiu asked why they need UOG. Can't they just make a deal with GTA and have
35 the 10GB for themselves. I don't understand. What's UOG's role? Mr. Hechanova said that
36 they can't do the local pairing if they partner with the telecom companies because they won't

UOG Endowment Foundation
Regular Board of Directors Meeting
Wednesday June 12, 2019
Raymond James- Conference Room
Maite, Guam

1 open the datacenter or a rack to a competitor to come in and put a line. Mr. George Chiu
2 asked if UOG was going to open it up and then they could bring in another competitor.

3 Mr. Hechanova said it was possible, if that was in Hurricane Electric's plans. Mr. George Chiu
4 stated that he didn't want to upset one of the major donors for something that isn't going to
5 make any money for UOG. Mr. Randy Wiegand said that UOG thinks everyone is going to
6 benefit from the project. "We think by having more data caching and the pairing is going to
7 save on data being sent off island. But right now, the companies don't talk to each other, but
8 they trust us, they talk to us. It is a process and we can pull the plug if we need to, but it's a
9 good faith effort to take on the opportunity." Mr. Jesse Leon Guerrero asked, "why not do it
10 under the Research Corporation? And UOGEF can still support it under the research
11 corporation."

12 Dr. Wilfred Leon Guerrero asked if they could discuss the project again at another time. Mr.
13 Hechanova said that he will collect more information from Hurricane Electric and present
14 again.

15 **VII. Announcements & Adjournment**

16 **A. Announcements**

17 Chairman Dr. Wilfred Leon Guerrero announced that the Founders Day Community Night
18 will be on June 29, 2019 and the Founders Day Brunch would be held on June 30, 2019.

19
20 Ms. Perez also announced the former Executive Director UOGEF Mark Mendiola's mother
21 passed away over the weekend. She said she sent an email with information about the
22 service. UOGEF will be sending out a nice funeral spray for them. The funeral will be on
23 Sunday June 23 at Seventh Day Adventist Church. The public viewing will be from 9 am to
24 12:30 pm. The service itself will begin at 1 pm.

25
26 **B. The Q2 2019 Meeting of the Board of Directors was adjourned at 4:39 pm on**
27 **Wednesday June 12, 2019.**

UOG Endowment Foundation
Regular Board of Directors Meeting
Wednesday June 12, 2019
Raymond James- Conference Room
Maite, Guam

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15

AFFIRMED/APPROVED ON:



Dr. Wilfred P. Leon Guerrero
CHAIRMAN

ATTESTED BY:



Dr. Thomas W. Krise
EXECUTIVE SECRETARY