



**UNIVERSITY OF GUAM
UNIBETSEDAT GUÅHAN**

Board of Regents

UOG Station, Mangilao, Guam 96923
Telephone: (671) 735-2995 Fax: (671) 734-2296

**Regular Meeting Minutes
February 13, 2020**

1.0 CALL TO ORDER

The Regular Meeting of the Board of Regents (BOR) was called to order by BOR Chairperson Elvin Y. Chiang on February 13, 2020 at 5:32 p.m., in AV Room #1, University of Guam Robert F. Kennedy (RFK) Library, Tan Siu Lin Building. Notice of such meeting have been duly and regularly provided by the BOR.

Chairperson Chiang introduced the newest board member, Regent Agapito (Pete) Diaz, and welcomed him to the Board. Regent Diaz thanked the community for the opportunity to provide service as a member of the BOR. He noted that he is a product of the University by attaining his bachelor's in Mathematics and attending the Pre-engineering program. He added he is heavily involved in the School of Engineering project.

QUORUM:

**Elvin Chiang
Mari Flor Herrero
Jerold Filush
Liza Provide
Sandra McKeever
Francis Hezel
Lesley Leon Guerrero
Agapito "Pete" Diaz
Mebric Navisaga**

**Chairperson
Vice Chairperson
Treasurer
Member
Member
Member
Member
Member
Member**

ALSO PRESENT:

**Thomas W. Krise
Anthony Camacho
Christine Mabayag
David S. Okada**

**Executive Secretary
General Counsel
Recording Secretary
CPO/Interim Chief of Staff**

2.0 MEETING MINUTES

2.1 Regular Meeting Minutes of November 15, 2019

Chairperson Chiang asked if there were any corrections or discussion regarding the regular meeting minutes as presented. Regent Leon Guerrero moved to approve subject to corrections, which was duly seconded by Regent McKeever. The motion carried.

3.0 CHAIRPERSON'S REPORT

Chairperson Chiang welcomed everyone to the February Regular BOR meeting. As the new Chairperson for the Board of Regents, he stated he looks forward to continuing work with the President and the University as we address many actions together. He stated that this is the time of year where we will be looking at the budget for 2021 and review the Para Hulo initiatives as proposed by the President. He also added that in the April 2020 meeting, the BOR will be voting to confirm officers for the Board, review

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the Board schedule for AY 2020-2021, and validate committee member assignments, among other important actions.

He then took the time to reflect back and express condolences and requested a moment of silence for the loss of several family members of the UOG Community since the last meeting.

Nario H. Sanguenza passed away November 23, 2019. He was the uncle of Dr. Cheryl Sanguenza, Associate Professor of the School of Education.

Dr. Jose Quinene Cruz passed away January 6, 2020. Dr. Cruz served as the fifth President of the University of Guam from 1983-1987. Dr. Cruz began his UOG career as a part-time assistant professor and instructor of public administration and management in the College of Business and Public Administration from 1979-83. After his term as President, Dr. Cruz remained with the University serving as a Regents professor, associate professor, and adjunct faculty until 2002. He was the husband of Dr. Teofila Sholing Perez Cruz who served as a faculty member in the UOG School of Nursing and Health Sciences and as a project leader on the U54 cancer grant projects.

Jimmie L. Green passed away December 27, 2019. He was the father of Dr. Jackysha Green, Assistant Professor of Education at the School of Education.

Elizabeth Grace Sablan Viegas passed away January 18, 2020. She was the wife of the late George J. Viegas, who served as Plant Manager in the UOG Plant Management Division from 1982 until his retirement in 1995. The late Mr. Viegas was instrumental in obtaining funding for the UOG Calvo Field House and for his bringing about its successful construction. He was later recognized for all his efforts in 2018 at a Replacement Plaque Ceremony to memorialize the builders of the Field House.

4.0 PRESIDENT'S REPORT

President Krise gave the President's report, a copy of which is attached.

5.0 REPORTS FROM STANDING COMMITTEES

5.1 Academic, Personnel, and Tenure (AP&T) Committee

Acting Chairperson Regent Leon Guerrero reported that the AP&T Committee met on February 5th and presents the proposed resolutions for the board's approval.

5.1.1 Resolution No. 20-01, Relative to Updating the Drug Free Workplace Policy of the University of Guam

Regent Leon Guerrero introduced Resolution No. 20-01 and moved to approve, which was duly seconded by Regent McKeever. She briefly read a portion of the resolution explaining the purpose. The motion carried.

5.1.2 Resolution No. 20-02, Relative to Approving the Updated Salary Pay Scale for Administrators with Revised Administrator Position Descriptions based on the University of Guam Para Hulo Strategic Plan and Revised Organizational Chart

Regent Leon Guerrero introduced Resolution No. 20-02 and moved to approve, which was duly seconded by Regent McKeever. She briefly read a portion of the resolution explaining the purpose. Regent Provido and Regent Filush noted that their respective committees also endorsed the resolution. The motion carried.

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5.2 Student Affairs, Scholarship, Alumni Relations and Honorary Degree (SASARHD) Committee

5.2.1 SASARHD Update

Acting Chairperson Regent Provido reported in the absence of Regent Herrero, that the SASARHD Committee met on February 10th to review and discuss Resolution Nos 20-02 and 20-04 and concurred with the resolutions being presented.

5.3 Investment Committee

Regent Filush, reported that the Investment Committee met on February 7th and a quorum was present.

5.3.1 Investment Update

He stated that the investment committee first voted to ratify decisions from its meeting on November 22, 2019 during the Asia Pacific Association for Fiduciary Studies conference in Manila and a subsequent portfolio review meeting with advisor, Raymond James, at their offices on December 18, 2019. The decisions were to:

1. Sell the entire Tortoise Master Limited Partnership investment and reduce the Garcia Hamilton Core Fixed Income investment from 20% to 15% of the portfolio.
2. With the proceeds of the above, purchase investments in Blackstone Private Markets, First Trust Low Duration Opportunities ETF and Lazard Global Infrastructure which will be allocated at 2.5%, 5% and 5%, respectively, of the portfolio.
3. Rebalance the portfolio upon the conclusion on the above changes.

The investment committee then met with the representatives from the advisor to:

1. Discuss the performance of the endowment fund. The Market Value of the fund at February 6 was \$27.6 million. The increase of \$1.2 million from November 13 is in line with the improvements in the financial markets, especially the rise in equities. Raymond James suggested that the committee consider sending Notices of Placement On Watch List to Renaissance Investment Management and Franklin Templeton as the performance of the funds in the portfolio has not met expectation over the last several quarters. The advisor was not suggesting a change at this time and will report further at the next committee meeting. The investment committee voted to approve sending the letters, as drafted by the advisor, to the respective fund contacts and instructed Randall Wiegand, VP of Administration & Finance to do so.
2. Provide suggested updates to the University's Investment Policy Statement. The advisor highlighted the changes and a discussion with the committee ensued. The chair asked that the VP of Administration & Finance provide the committee any necessary updates to Section IV – Spending Policy in light of the fact the Land Grant portion of the Fund is approaching the value required to allow spending on land grant items. It was decided that the committee members would review the proposed changes by the advisor and also the VP's recommendations for vote at the next meeting.

The investment committee met with the representatives of the Student Investment Club to review their portfolio's performance. The value had decreased nearly \$2,500 to \$66,500. The decrease had been expected as the Club was holding nearly \$13,100 in cash which will be invested in the next quarter and a change in investments from just growth stocks to a more balanced portfolio. The discussion then turned to the Club members' attendance at the recent annual Asia Pacific Association for Fiduciary Studies conference in Manila and also their favorable placement in a competitive event with 20 other colleges from the Philippines.

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5.4 Budget, Finance, and Audit (BFA) Committee

Regent Filush noted that the BFA Committee met on February 7th and a quorum was present.

5.4.1 Financial Update

Regent Filush reported that as of January 24, 2020, the GovGuam payments from Department of Administration (DOA) are current to the extent that 96% of the UOG Operating Fund, Special Appropriation Fund and Agency Fund allotments have been paid as of this date. While it is much easier for the finance department to plan expenditures now that the allotments are current, the University continues to struggle due to reduced appropriations from the Legislature.

The preliminary December 31, 2019 cash basis financial statements reflected income of \$1.2 million versus a loss of \$5.9 million in the prior year. The primary changes are the nearly \$4.2 million increase in collections from the DOA as they are now current and \$1.3 million of investment income versus a loss of \$2.6 million last year. The actual performance will change when converted to accrual basis. All significant differences were explained to the satisfaction of the Committee members.

An update was given relative to the annual audited financial statements for the year ended September 30, 2019. The audit has been completed but the University is still waiting for the Government of Guam retirement plan adjustment and hopes to receive that in the next month. The VP of Administration & Finance indicated there were no significant adjustments or findings as a result of the audit.

5.4.2 Collections Report

Regent Filush reported that the collections on student loans was \$122,500 at December 31, which is 41% of the annual budget of \$300,000.

5.4.3 Procurement Transactions and Contracts Report

Regent Filush noted that there were several procurement transactions and contracts of over \$100K entered into during November and December. The Committee discussed the items on the listing and all questions were explained to the satisfaction of the Committee members.

5.4.4 Resolution No. 20-03, Relative to Approving the FY2021 General Operations Budget and Special Appropriations Budgets

Regent Filush introduced Resolution No. 20-03 and moved to approve, which was duly seconded by Regent Hezel. He stated that the proposed general operations budget reflects the amount of revenues and expenditures required for the University to operate at the level to offer all the necessary programs and degrees as reflected in the strategic plan and in facilities that are fully repaired and maintained to provide the appropriate learning environment for the students. Brief discussion followed. The motion carried.

5.4.5 Resolution No. 20-04, Relative to Approving the Student Financial Assistance Program FY2021 Budget

Regent Filush introduced Resolution No. 20-04 and moved to approve, which was duly seconded by Regent McKeever. He briefly explained the purpose of the resolution. The motion carried.

5.4.6 Resolution No, 20-05, Relative to Modifying the UOG Procurement Regulations to Allow for Blanket Purchase Agreements

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Regent Filush introduced Resolution No. 20-05 and moved to approve, which was duly seconded by Regent McKeever. He briefly explained the purpose of the resolution. The motion carried.

5.5 Physical Facilities Committee

Regent Provido reported that the Committee met on February 10th. A copy of the Physical Facilities report is attached.

5.5.1 Facilities Management and Services Update

Regent Provido gave a brief report on the Facilities Management and Services (FMS) projects:

School of Engineering and Student Success Center: Both projects are currently on hold with the United States Department of Agriculture (USDA) pending their approval on the loan re-obligation.

Cultural Repository: Reliable Builders, Inc is the contractor selected, pending contract negotiations.

International Dorm: Is pending a Private-Public-Partnership (PPP) report.

Water and Environmental Research Institute (WERI), Deskubre Building, and School of Health (SOH): These projects are being submitted under the United States Economic Development Administration (US EDA) grant.

Bordallo Expansion to Micronesian Area Research Center (MARC)/Robert F. Kennedy (RFK) Library: This is an expansion to archive donated historical documents and articles from former Congresswoman Madeleine Bordallo, who will be donating funds for the expansion. The project is under preliminary conceptual review.

She further reported on other ongoing and future projects.

6.0 AD HOC REPORT: ENDOWMENT FOUNDATION (EF) UPDATE

There was no update provided by the UOG EF.

7.0 OPEN PRESENTATION (3 Minute Limit per Person)

Chairperson Chiang opened the floor for open presentations.

Dr. Ronald McNinch, SBPA Faculty, discussed several items with the Board.

In his role as a Guam Department of Education Board Member, he stated that Public Law 17GCA 16A regarding the Joint Board, noted that for the past year the Board of Education has attempted to have the law removed. He noted that the law requires the UOG, GCC, and GDOE Boards to meet formally twice a year, which he says is viewed as a vestigial type of law. He added that a major function of the Board is the Teacher Certification and that there is now a separate function. He further stated that if there is a need for the Joint Board to meet, then it should be done collegially without a legal mandate to do so.

He added he is a member of the National Association of State Boards of Education (NASBE), and that the trend on NASBE is dual enrollment. He stated that there should be more college classes offered at high school sites, which would extend learning opportunities for people in various villages and mainly for the purposes of general education.

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He also discussed the Senior Citizens/Over 55 Program and noted that the UOG Fact Book indicates that only between 3 to 12 senior citizens take classes at UOG and that we should consider waiving fees and allow them to take one class per semester. He feels if we pursue the senior citizens market and open up adult education opportunities, it will probably greatly broaden the support in the community for UOG.

Dr. McNinch ended by stating that every Regent on the Board can nominate a Regent Emeritus and that there is a good number of former regents for this honor.

8.0 EXECUTIVE SESSION

8.1 None

There was no Executive Session held.

9.0 VOTING FILE

9.1 None

There were no items to vote on.

10.0 PASS OUT BOR SCHEDULE OF MEETING FOR AY2020-2021

The AY2020-2021 BOR schedule was passed out for informational and review purposes only.

11.0 ADJOURNMENT

Regent Filush moved that the meeting be adjourned, which was duly seconded by Regent Herrero and passed. Chairperson Chiang adjourned the meeting at 6:29p.m., Chamorro Standard Time.



Elvin Y. Chiang, Chairperson

ATTESTED:



Thomas W. Krise, Ph.D., Executive Secretary