

Minutes of Regular Meeting to the Board of Directors of the
Guam Economic Development Authority
October 17, 2019

Call to Order

§1. The regular meeting of the Board of Directors of the Guam Economic Development Authority (hereafter referred to as "GEDA" or the "Authority") was held on Thursday, October 17, 2019 at 1:50 p.m. at the Guam Economic Development Authority Conference Room, 5th Floor, Suite 511, ITC Building, Tamuning, Guam. The meeting was called to order by Chairman David John.

Inifresi

§2. GEDA Board of Directors and all others in attendance recited to *Inifresi*.

Quorum and Attendance

§3. **Roll Call.** As determined by the roll call made by Chairman David John, the following individuals were present:

Directors:

David John
Ernesto Espaldon, Jr.
Siska Hutapea
Fe Valencia-Ovalles

Offices or Positions:

Chairman
Vice Chairman
Director
Director

CEO/Administrator
Deputy Administrator
Legal Counsel

Melanie Mendiola
Artemio Hernandez
Terrence Brooks

Also in attendance were:

Bernice Torres	GEDA
Christina Garcia	GEDA
Claire Cruz	GEDA
Larry Toves	GEDA
Matthew Baza	GEDA
Sheena Mitchell	GEDA
Austin Grant	GEDA
Jha'Aunie Leon Guerrero	GEDA
Erin Grajek	Senator C. Ridgell's Office

Approval of Agenda

- §4. The first item considered was approval of the agenda. A motion was made to approve the meeting agenda by Director Fe Valencia-Ovalles. Director Siska Hutapea seconded the motion. The motion was unanimously approved.

Approval of Minutes

- §5. The next item on the agenda was the approval of the board meeting minutes from September 19, 2019. Director Fe Valencia-Ovalles moved to approve the meeting minutes, which was then seconded by Vice Chairman Ernesto Espaldon, Jr. The motion was unanimously approved.

Chairman's Remarks

- §6. The next item on the agenda was Chairman's Remarks.

Chairman David John informed everyone in attendance that meetings between GEDA and the Governor and also with Senator Ridgell went well and made good progress. Chairman John made a note to inform the rest of the board of future meetings so they may attend as well.

This concluded the remarks from Chairman David John.

CEO/Administrator's Remarks

- §7. The next item on the agenda was CEO/Administrator's Remarks.

CEO/Administrator Melanie Mendiola started off by stating that the Confirmation Hearing for Chairman David John and Director George Chiu went well. Ms. Mendiola noted the discussions regarding the challenges GEDA faces was also made aware and mutually understood during the hearing.

This concluded the remarks from Ms. Melanie Mendiola.

Communications

§8. The next item on the agenda was Communications.

CEO/Administrator Melanie Mendiola reported for communications. She informed all in attendance that GEDA was mentioned in 4 newspaper articles. One article included GEDA's participation in the *Farm to School* initiative to get local produce to the schools. Another article discussed Former Governor Gutierrez's work regarding visa waiver in the Philippines. Lastly, GEDA's contribution of Thirty Thousand Dollars (\$30,000.00) to the Junior Achievement was also mentioned in a news article and also discussed on air with Ray Gibson. Overall, GEDA had positive coverage for the month.

This concluded the communications report from Ms. Melanie Mendiola.

Committee Reports

§9. The next item on the agenda was Committee Reports.

CEO/Administrator Melanie Mendiola made a recommendation to the board of directors to table all committee reports with exception of Land/Real Property Committee and H2B Visa Committee. Director Siska Hutapea made a motion per CEO/Administrator Mendiola's recommendation; Director Fe Valencia-Ovalles seconded motion.

Land Committee:

Deputy Administrator Artemio Hernandez began discussions. He informed all in attendance that GEDA is currently in the process of drafting legislation which attempts to allow the legislature to preapprove parcels of property for development or lease. Mr. Hernandez noted that the draft legislation has yet to be introduced nor discussed with any Senator. Mr. Hernandez stated that GEDA would like to get leased properties to be exempted from the exceptional lease term contract requirements and then to propose to include additional parcels thereafter via legislation. This will ensure the legislature is still involved in the process. The proposed legislation would assist any interested private developer with the lease approval process. Mr. Hernandez noted that GEDA staff is still in the draft process and that GEDA staff will continue to work on the proposed legislation. GEDA staff will forward the proposed legislation to its legal counsel for review before moving forward. Mr. Hernandez hopes to have a draft to provide at the next board meeting.

Mr. Larry Toves, Manager of the Real Property Division then spoke on behalf of the land committee. Mr. Toves made reference to two current statues, Public Law 32-40 then amended as 34-99, and noted that these statues make it difficult for GEDA to enter into a lease for commercial development for GEDA inventory properties and also for managed properties via Memorandum of Agreement with CHamoru Land Trust Commission and Guam Ancestral Lands



Commission. Mr. Toves would like to see through GEDA's proposed legislation in efforts to help with the current issues GEDA faces.

Chairman David John suggested that GEDA staff meet with each senator to educate them about GEDA's proposal and to assure them that it is not GEDA's intent to take the legislative oversight from the legislature.

Real Property Committee:

- **CHamoru Land Trust Commission** – Real Property Division Manager Mr. Larry Toves informed the board that RPD is currently working on Determination of Needs for three properties—two properties in Tamuning and one property in Yigo, all of which are under the inventory of the CHamoru Land Trust Commission. RPD staff recently met with the Tamuning Mayor and Yigo Mayor to courteously inform them of these Determination of Needs.
- **AT&T, Guam Ancestral Lands Commission** – The Real Property Division and the Guam Ancestral Lands Commission successfully completed negotiations with AT&T for lease rental arrears from the period of 2007 to 2019 and the lease agreement moving forward for the Tanguisson Cable Landing Station Property. The GALC Board of Commissioners approved the settlement and lease agreement. GEDA is now awaiting receipt of documents which have been post mailed by AT&T to GEDA.

H2B Visa Committee:

Director Fe Valencia-Ovalles reported for the H2B Visa Committee. Director Valencia-Ovalles noted that status remains the same as last month's report. She informed the board of directors that the committee will continue to work with the local government and the Philippine government to resolve the H2 issue.

- **Qualifying Certificate** – Deputy Administrator Artemio Hernandez spoke about the Qualifying Certificates. Mr. Hernandez noted that the prior GEDA Administrator sent a letter in December 2018 to the Office of the Attorney General inquiring about provisions in the FY19 Budget Act as it's has some restriction on new Qualifying Certificates. In addition, a follow-up letter was sent to the Office of the Attorney General in March 2019 and then again in September 2019. GEDA's inquiry was mainly to verify whether it is organic or inorganic for Qualifying Certificates that have been approved by the GEDA Board of Directors to still require the need to go through the legislative review process. GEDA staff will update the board when a response is received from the Attorney General.

Old Business

§10. The next item on the agenda was Old Business.

FY 2020 Budget:

CEO/Administrator Melanie Mendiola reported on GEDA's Fiscal Year 2020 Budget. Ms. Mendiola informed the board of directors that GEDA no longer faces a loss in the FY 2020 Budget, with this information being unaudited. GEDA is now reporting a net income of Fifteen Thousand, One Hundred Ninety-Five Dollars (\$15,195.00).

Board Chairman David John made a recommendation to remove the stipend for the board directors for Fiscal Year 2020. Vice Chairman Espaldon made a motion to approve Chairman John's recommendation. Director Siska Hutapea then seconded the motion. CEO/Administrator Melanie Mendiola made a recommendation to move the funds from the board of directors' stipends to training and development initiatives for GEDA staff.

Vice Chairman Ernesto Espaldon, Jr. made a motion to approve the Fiscal Year 2020 Budget for GEDA to include the recommendation by Ms. Mendiola to move the funds from the board of directors' stipends to training and development for GEDA staff. This motion was then seconded by Director Siska Hutapea. A unanimous approval followed.

FY 2020 Organizational Chart:

Ms. Melanie Mendiola reported that the only changes to the FY 2020 Organizational Chart from last fiscal year was changes made under the Business and Economic Development Division for the three positions, namely Industry Development Specialist I & II and Administrative Assistant. These positions are identified as Limited Term Appointments for the Office of the Chief Advisor of Economic Development National and International Affairs, in which these positions are dependent on the availability of funds.

Director Fe Valencia-Ovalles made a motion to approve the Fiscal Year 2020 Organizational Chart for GEDA. Director Siska Hutapea seconded the motion. The motion was unanimously approved.

New Business

§11. The next item on the agenda was New Business.

Executive Management Performance Evaluation:

A motion statement was made by Chairman David John as follows:

“Pursuant to Section 43202, Chapter 43, Title 5 of the Guam Code Annotated entitled, Performance Reviews of Agency Heads, the governing boards of all agencies, instrumentalities, or entities shall issue performance reviews of the Chief Executive selected from that agency six (6) months after appointment of the said Chief Executive and every twelve (12) months thereafter that the Chief Executive is retained by the Governing Board. Each Performance review shall document the Chief Executive’s performance, accomplishments, and the respective Governing Board’s reasons for retaining the said Chief Executive.

As a result of the “Outstanding” evaluation, the GEDA Board of Directors will retain Ms. Melanie Mendiola as the Chief Executive Officer/Administrator and Mr. Artemio “Ricky” Hernandez, PhD as the Deputy Administrator of the Guam Economic Development Authority.”

Qualifying Certificate Committee Contribution Grant Program Update:

Deputy Administrator Artemio Hernandez recapped to the board of directors the previously adopted new Qualifying Certificate Community Contribution Grant Program during the March 2019 Board Meeting with plans for a Notice of Funding Availability to be sent out in Fiscal Year 2020. The GEDA management team has indicated a few slight changes to the grant process that was originally approved to include an expanded grant evaluation committee to include one community member as well as a grant compliance monitoring section of the grant process, which is necessary to ensure proper use of such funds. Mr. Hernandez requested the approval from the board for these changes as well as to allow discretion and flexibility by the GEDA CEO/Administrator to make additional administrative changes, if required. A report to the board will be made should any changes be made.

Mr. Hernandez stated that GEDA staff will work to plan a workshop to assist applicants with application requirements. GEDA staff will also work to issue a press release for this program.

Vice Chairman Ernesto Espaldon made motion to approve the changes relative to Qualifying Certificate Community Contributions Grant Program Updates. Director Fe Valencia-Ovalles seconded motion, which was then approved unanimously.

Resolution 20-01:

Approving the Issuance and Sale of A.B. Won Pat International Airport Authority, Guam, General Revenue Bonds

Deputy Administrator Artemio Hernandez stated that GEDA is assisting the Guam International Airport Authority in issuing, refunding and re-structuring bonds to save funds and to assist with debt service savings. These savings will be applying towards additional FAA Grants. Mr. Hernandez then requested for approval of Resolution 20-01.

Vice Chairman Ernesto Espaldon made motion to approve issuance and sale of A.B. Won Pat Airport Authority, Guam, General Revenue Bonds to include authorization of the execution of documents, agreements and certificates and for any related actions. Director Siska Hutapea seconded motion. The motion was unanimously approved.



Resolution 20-02:

Relative to Approving the Short-Term and Medium Range Programs and Projects Identified and Prioritized in the Guam Comprehensive Economic Development Strategy (CEDS) 2020-2025

CEO/Administrator Melanie Mendiola reported that when GEDA applies for any of the grants or programs within the Guam Comprehensive Economic Development Strategy, it is a requirement for GEDA to provide a board resolution stating that the CEO/Administrator of GEDA is authorized to apply for the grant or program. Resolution 20-02 seeks approval of Short-Term and Medium Range Programs and Projects identified in the CEDS, in addition to any projects under Disaster Preparedness and Disaster Recovery as Guam has been declared a disaster area after the previous typhoon. Ms. Mendiola then sought approval of Resolution 20-02 from the board.

Director Siska Hutapea made a motion to approve the Short-Term and Medium Range Programs and Projects identified and prioritized in the Guam Comprehensive Economic Development Strategy 2020-2025. The motion was seconded by Director Fe Valencia-Ovalles and then unanimously approved.

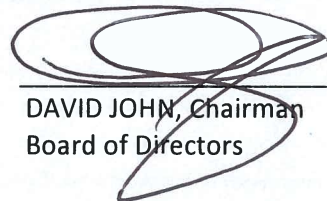
Public Comments

§12. The next item on the agenda was Public Comments.

No public comments were made.

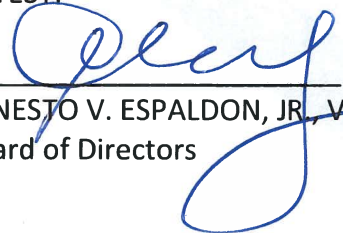
Adjournment

§13. Vice Chairman Ernesto Espaldon, Jr. made a motion to adjourn the board of director's meeting at 2:55 p.m. Director Siska Hutapea seconded the motion. The motion was unanimously approved.



DAVID JOHN, Chairman
Board of Directors

ATTEST:



ERNESTO V. ESPALDON, JR., Vice Chairman
Board of Directors