

Morgan Legel
Haidee Gilbert
Gerry Partido

Glimpses of Guam
Guam Daily Post
PNC

Absent:
Deepak Dewan
Andrew Park

Director
Director – Excused

Approval of Agenda

- § 4. A motion to table Committee and Standing Reports due to one director having to leave early was made by Chairman Espaldon and seconded by Chairman John. The motion unanimously passed.

Approval of Minutes

- § 5. Motion was made by Director Fe Valencia-Ovalles and seconded by Chairman John to approve the August 19 and August 31, 2021 board meeting minutes. The motion unanimously passed.

Vice Chairman Remarks

- § 6. Vice Chairman Ernesto (Jun) Espaldon was asked to conduct the meeting for Chairman David John is away for travel. Vice Chairman Espaldon reported the following.
- a. This past month has been especially busy for the agency. Vice Chairman Espaldon sat on the underwriter selection committee for GPA and GWA last week.
 - b. GEDA hosted our second and hoped to make it an annual virtual conference entitled Taking the Leap, focusing on exporting goods from Guam.
 - c. The Administrative Services Division prepared the annual budget for today's meeting.
 - d. The spotlight, however, was on GEDA's Small Business Pandemic Assistance Grant 2021, which launched last week Wednesday. Administrator Mendiola will report that on new business today. Governor Leon Guerrero authorized \$20 million in direct aid to the small businesses. GEDA crafted the program after last year's program and sought consultation with the Guam Chamber of Commerce, the Woman's Chamber of Commerce, the Chinese Chamber of Commerce, the Korean Chamber of Commerce, and GHRA.
 - e. GEDA was notified this week on excellent news from the US Economic Development Administration (EDA). GEDA was awarded \$1.3 million grant for the

Green Markets Project which will fund a new construction of an outdoor facility in Sinajana as well as complete storm hardening work in Mangilao and Agat. This is the third US EDA Grant GEDA has received this fiscal year.

- f. The Board would like to thank their GEDA team for pursuing these grants and ultimately having them awarded to Guam. However, GEDA is not stopping there. The team is busy working on a number of additional US Economic Development Administration Grant Applications in conjunction with the front office and other project partners for some preliminary applications submissions next week.
- g. Unfortunately, for our island the COVID19 pandemic continues with an even greater intensity than last year as far as the number of positive cases. GEDA continues to be spared from any serious events in this regard, but the team remains vigilant in maintaining the safety of the office environment by wearing masks and maintaining social distancing. More importantly, GEDA continues to collectively do their part to improve the state of our island's economy through our pandemic grants, our relief loans, guarantees, refinancing and other programs GEDA have administered and will continue to administer.

CEO's/Administrator's Remarks

§ 7. Administrator Melanie Mendiola reported the following:

- a. As Vice Chairman Espaldon mentioned earlier, GEDA has been incredibly busy – interviewing underwriters, hosting a virtual conference, and launching the grant program. Administrator Mendiola wanted to send a special thank you to the Governor and Lieutenant Governor for opening and closing the conference that was held last Friday. The conference was very good and well attended. There were almost a hundred (100) attendees; ninety-seven (97) had attended the conference. Speakers included representatives from the US Department of Commerce, US Commercial Services, the Minority Business Development Agency Business Center, MBDA's Department of Commerce, Western United States Agricultural Trade Association, the Hawaii Pacific Export Council, Btrax and Coupang. Coupang is Amazon for Korea. The focus was on exporting. The event was streamed live on Guam Legislature's TV and You Tube channels and will be rebroadcasted. Segments are available on the Legislature's TV channel.
- b. As Vice Chairman Espaldon had mentioned, GEDA did receive a \$1.3 million grant from the US EDA. Some design work will be kicking off in the very near future.

Old Business

§ 8. The board received an update from Legal Counsel Terrence Brooks on the Mega United case.

- a. Mr. Brooks reported that there is a final settlement agreement in the case involving Mega United, who is suing GEDA in two different cases involving the northern market. There is a final amount – the amount of the damages plus the retainage, is \$287,086.92. The retainage will be released to Mega less or about \$4,000 in GWA costs. Mega had one final request to GEDA to waive the GWA costs, however the Board declined to do so and Mega has accepted it as is. The settlement was made before the end of the fiscal year to allow payment from the bond monies that funded the project. A resolution by unanimous consent by the Board that will be circulated as soon as the final language for the settlement agreement is finalized, and it will include the time frame in which Mega would need to be paid. That should be coming soon and the resolution will be ratified at the next Board meeting.

§ 9. The CARES Act Grants were reported by Administrator Melanie Mendiola.

- a. In the Board packets, there is a report on last year's grants funded under the CARES Act and these include the 2020 Small Business Pandemic Assistance Grant, the Healthcare Grant as well as the Commercial Rent Assistance Grant. As these grants are closed out, GEDA has also performed some close grand audits asking the grantees for receipts so there is a report on that as well. Overall, we are very pleased with how the program went and believe that it was very beneficial for the economy. Comments can be given after the Board has a chance to review the grants. No Board action is needed.
- b. Vice Chairman Espaldon added some information to the Board on last year's Small Business Grant applications. GEDA serviced a total of two thousand three hundred and fifty-two (2,352) applications for the Small Business Pandemic Assistance Grant, for the Healthcare program, twenty-four (24) healthcare providers, and for the Small Business Rental Assistance, six hundred and ninety-six (696) applications were serviced. Vice Chairman Espaldon wanted to thank the GEDA team on that.

§ 10. The Guam Small Business Pandemic Assistance Grant 2021 Update reported by Administrator Melanie Mendiola

- a. The Small Business Pandemic Assistance Grant 2021 was launched last week. The application was made available to the public on Wednesday at 5pm and on Thursday morning GEDA started to receive applications. In the very first day, GEDA received six hundred and seventy-one (671) applications and as of yesterday GEDA has received one thousand and sixty-two (1,062) applications. Transmitting of the applications has already started. DOA had asked GEDA to transmit once a week. The first batch of seventy-three (73) recipients was transmitted for a total award amount of \$1.24 million. GEDA is anticipating on sending another two hundred and fifty (250) or so applications by Monday. The team has done a really nice job on working together on this project. Individuals can check the status of their grant online; on the GEDA website. There was a much lower rate of incomplete applications compared to the previous pandemic assistance grant 2020. It is believed that this is in part due to the fact that information was made available with a lot of lead time several months

ago. GEDA is finding ways to simplify the process. What small businesses need to submit is their business licenses and their BBTs. They do not need their SWICAs and there is also a self-certification that individuals sign. For the most part, GEDA tried to keep this process as simple as possible. The closing date for the application is on December 9, 2021. The first batch of checks will be sent out within three (3) to five (5) business days after it is transmitted to DOA, meaning it would most likely be out either by the end of this week or early next week.

- b. Administrator Mendiola wanted to mention one modification to the SOP, which requires that changes be reported to the Board. The primary modification comes after GEDA recently received news that the Shuttered Venue Operator Grant, a federal grant that was made available to several local businesses, will be treated just like the recipients of the Restaurant Relief Grant. They are not ineligible; they are just prioritized later on in the process. First, GEDA works with the businesses who have not received the federal assistance. It was also reported that the business interruption percentage point went up from 15% to 25%. Based on the Board's approval of the SOP back in May or June, the percentage of the grant increased from last year from 25% to 30%. Business interruption is maintained at 25% for the entire year of 2020. This was after consultations with various stakeholders including the Guam Chamber of Commerce, the Woman's Chamber of Commerce, the Korean Chamber of Commerce, and the Chinese Chamber of Commerce. It was also noted that the Korean Chamber of Commerce has translated GEDA's application to Korean for them. Those concluded the modifications of the SOP.

New Business

- § 11. The Approval of the Selected Underwriters for RFP 21-008 and RFP 21-009 (Underwriter Service for Guam Waterworks Authority and Guam Power Authority). Director Ovalles made a motion on approving both the GWA and GPA underwriters and the motion was seconded by Director Chiu. The topic was then open for discussion, which was led by Administrator Melanie Mendiola and GEDA member and Public Finance Assistant Manager Antoinette Leon Guerrero.
 - a. There were interviews conducted for underwriters for two agencies, the Guam Waterworks Authority and the Guam Power Authority, for their various projects in the Public Finance space. Both agencies participated in the selection. The submissions were opened at a regular Board meeting. Interviews have taken place. Administrator Mendiola wanted to thank Vice Chairman Espaldon for sitting on all of the interviews.
 - b. After hearing from six firms, the committee conducted an analysis and evaluation and has selected Citi Groups Global Market and RBC Capital Market, LLC to serve as co-managing underwriter teams for GWA.

- c. After hearing from six firms, the committee conducted an analysis and evaluation and has selected Bank of America Security and Wells Fargo Corporate and Investing Banking to serve as co-managing underwriter teams for GPA.
- d. These are the two recommendations made by the evaluation committee. The evaluation committee was set during the last Board meeting and a motion is needed to approve the two underwriting teams for GPA and GWA, respectively. Upon the motion of director Ovalles seconded by Director Chiu, the motion unanimously passed.

§ 12. GEDA's Fiscal Year 2022 Budget reported by Administrator Melanie Mendiola.

- a. With regard to revenue on the Fiscal 2020 budget, things would be fairly consistent with 2021. As far as the lease revenue, it will remain consistent. Guam Ancestral is projected to remain a tenant. QC revenue should remain steady. The Bond revenue based on two authorizations: (1) the BBT Bond, which is already closed but has not been funded, and (2) the Simon Sanchez Project. The one area that is different is this upcoming fiscal year is the grants revenue. The grants revenue takes two things into account: (1) new grants like the Aquaculture Feasibility study and (2) the grants that were affected and delayed by the COVID-19 Pandemic. The office of Economic Adjustment provided some grants to GEDA to conduct grant management training as well as for the medical campus and medical action plan, which got into a late start due to the COVID-19 Pandemic. As a result, the revenue for those grants were pushed to 2022. The grants revenue for 2022 is expected to be significantly higher than it was for 2021. Those are the primary difference in the budget that is seen in the revenue side of the house.
- b. Expenses, for the most part, has been tracked as the fiscal year ends. GEDA does not anticipate major surprises across any of the expense categories. It is expected to remain consistent and according to plan. For the new fiscal year, it is expected to see consistency across most expense line items with the exception of a few. Salaries and benefits are consistent. Office space is slightly lower because of the sublease of the office space to the PEALS Board. Legal services are expected to be slightly higher because GEDA has been keeping the legal team much busier with a variety on reviewing bond and grants documents – primarily. Reviewing the grants that is being given out under the Small Business Pandemic Grant and also the grants that GEDA is going after including the Aquaculture Grant, MOUs, memorandums of understanding with government agencies and so on. Another category that will increase is the other professional services category. An RFP has been put out for Marketing and Communications. With all the federal grants coming down the pipeline, technical assistance is needed. Some money has been factored into there for some contractual work as well. Retiree expenses have increased a little bit due to the fact that there are more retirees now. Website costs have increased a little bit due to the website needing work done.

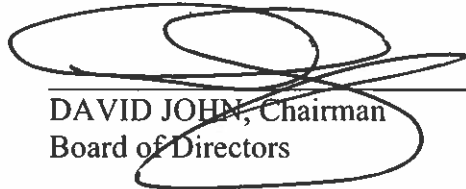
- c. To summarize, the revenues are expected to be a little higher in 2022 than 2021. GEDA is projecting a little bit more in revenue. GEDA is projecting consistency in expenses with the exception on the items discussed. Non-operating income is primarily GEDA's investment in the operating accounts, however, those are restrictive; it is not touched for operational use.
- d. The floor is open for questions. Director Ovalles brought up the staffing vacancies in the organizational chart – both funded and unfunded. Her question was if those vacancies are continuous until the following budget year? Is there a reason as to why the positions that are open but unfunded? Administrator Mendiola answered the question by saying that GEDA is actively going after grants in addition to the SSBCI work and all the work the Governor has asked GEDA to do under the American Rescue Plan. Until those grants are rolled out and funded, Administrator Mendiola does not believe the budget can support additional positions so rather than deleting the positions, it will be there for the staffing and then fund them when the funds become available through grant proceeds or other proceeds.
- e. Director and Secretary Hutapea made a motion to approve of the Fiscal Year 2022 Budget as presented. The motion is seconded by Director Ovalles. The motion unanimously passed. Vice Chairman Espaldon wanted to thank the team responsible for putting the report together as well as Director Chiu for his direction and guidance.

Public Comments

§ 13. There were no public comments.

Adjournment

§ 14. Director Chiu moved for the meeting to be adjourned and it was second by Director Ovalles. Adjournment of the meeting was unanimously approved.



DAVID JOHN, Chairman
Board of Directors

Attest:



SISKA HUTAPEA, Secretary
Board of Directors