



Northern Marianas College FOUNDATION

Est. 1999

NMC FOUNDATION MEETING

Friday, December 27, 2013

Time: 3:00 p.m.

Venue: Tooth Works Conference Room (TSL Bldg.)

A G E N D A

I. Call to Order – 3:05pm

Present:

- Dr. Alan Markoff
- David Sablan
- Lillian Cabrera
- Bud White
- Joe Santos
- Jerry Facey

II. Review of Agenda - adopted

III. Review/Adoption of Minutes

LC discussion on which minutes were to be adopted, August or November, or both.

ED informed Trustees that Becky was working on getting the November minutes ready.

AM shared his discussion with Dr. Hart on the importance of getting minutes distributed w/in 10 days of after meetings so everything is fresh and ensure continuity in the Board's discussions and progress.

LC Aug minutes available.

AM next goal hire ES, take over minutes from Becky.

JF hopefully this is last time we don't have minutes ahead of next meetings.

AM, were Aug mins adopted in Nov meeting?

LC no.

Motion: LC moved to adopt the Aug 2013 meeting, 2nd by BW, motion carried

IV. Reports:

a. Executive Director Subcommittee Team –

AM addressed item to ED.

ED clarified that the agenda item is for the ED Subcommittee selection team.

JF, you mean us?

BW, that would be BW, DMS, and JF, our report is we did (hire), welcome aboard.

DMS officially welcomes ED to Foundation.

BW discussion on how ED salary will get paid.

AM inquired if employment paperwork at college done?

ED advised that most is done but employment contract is still being drafted.

AM, indicated he needed to talk to HR Director about the contract.

BW asked if there were other duties the subcommittee needed to fulfill?

LC inquired if ES had been hired and if there are applicant.

ED advised Board that there are four applicants but only one complete application package.

BW emphasized that ED should have a significant vote on this (selection of ES) because the two need to work well together.

JF this is reason why we waited for ED to be onboard so we can move ahead with hiring ES.

AM in previous discussion with some Directors, the feeling was that the ES should be someone with accounting background so we can generate our own financial statements, overseen by DB's office. Also, there are many out of work accountants who would like to do part time work. I have a part time accountant who is also my receptionist who would be delighted to have (inaudible).

ED let me review JB that was advertised, and bring it back to Subcommittee

AM also include salary, I think you all need to have copy of JB so you can brainstorm and ensure it attracts the type of person we're looking for you want.

BW I would like, at a minimum, monthly financials report, here is assets and liabilities (referring to 31OCT13 management statements) which is fine but I want to know how much money comes in, from what source, and how much money goes out and for what purpose, and what was net gain or loss, one or two pages with a lot of details.

AM, we had nothing going out, and since we haven't had a golf tournament we haven't had anything come in, hopefully that will all change now.

BW we have had things come in, every month this (referring to monthly investment report) produces money.

JF that is self-contained.

AM it is self-contained, what I hear you asking for is what is going on here with this Board, am I correct Bud? I don't want to put words in your mouth

BW, no that is not correct, I want to know how much we are paying in fees to the consultant and fund managers. I want to know from the fund administrator how much are those funds bringing in, how much are they gaining, and there will be months where they lose. If that goes on for a few months we need to sit down and take a look, and if they are doing well we need to say attaboy and move on.

AM were not doing well, were doing fabulous. Since I've been on the Board it was at \$5 million, now it is just shy of \$7 million, that is a hell of an increase. I'm not opposed to the Board (inaudible) financial oversight.

ED, may I, so this is a monthly report (Consulting Group monthly investment report as of 17DEC13)?

AM that is what Jason presented to me last week, it is as of ten days ago.

ED, ok so if this is a monthly report maybe I'll just work with Jason to incorporating some of the stuff that you (BW) talked about.

BW, ok

ED, and I could speak to this for the monthly, maybe the quarterly Jason can come down here and attend the meeting for a formal report, no problem with doing monthly report, I can do that

AM he either comes or he does it via telephone, he has done extraordinarily well with this account

LC getting back to the ES, I have a copy of the draft of the (inaudible)

AM let me have that xeroxed, would you like me to have that (inaudible) for you?

ED no I think I have that, he emailed me earlier I just didn't print it out,

AM as of the 17th? Anybody else want a copy (referring to the monthly report from Jason)

BW I would like a copy

DMS is that the latest, what month, it comes out quarterly right?

AM it is as of the 17th.

LC if you could just email, forward it

ED ok, sure

DMS I got the last one that was distributed?

AM you'll also get one at the end of the year

ED maybe if it is ok w/ the Board I will ask Jason to email it every month to all the members and myself

DMS I think so

AM ok

ED and just make it an automatic update thing

DMS Mr. Chairman, I sat here several months now on the Board. I'd like to know a well-defined roll of the Foundation Board in relation to NMC, whether we are an instrumentality of the government directly or indirectly, or none at all. I'd like a definition of that and somebody to tell me ok, because depending on who we are then we have to do things according to law. And what is really our relationship between this Board and NMC? Are we answerable to NMC or are we not?

AM, Not

DMS now these are the areas that I'd really like to find out because now that we have an Executive Director, he has to be guided according to the bylaws of the Foundation and I want to make sure, one way or another, we must all know if we are subordinate to NMC or the CNMI government other than the corporate laws or the Foundation laws

AM let me answer you partially, we are subordinate to the Board of Regents (BOR), we do answer to the BOR, and in the beginning they had two members that represented their board on our Board and they voted to delete that. And that was an illegal vote. So I have to talk to Rabauliman who I know and like and I would really like for him to sit in and one other member of the BOR in our meetings quarterly. But we don't answer to the government.

DMS sorry, we don't need (inaudible)

AM we do not answer to the CNMI government, we answer to the BOR

DISCUSSION: discussion on relationship between Foundation and NMC, Foundation's tie to NMC rules and regulations, and operational functions.

DMS that is fine but every time we make a vote we need to check the RFP and all the other stuff

AM I think it is important to understand that our mantra is simply to raise money for the College, we have nothing to do with how the College is run, or any of the internal decisions, that is the BOR. We're out there to raise money, period. We can't even tell them how to spend it, we just provide it.

JF but if the regents run amok or are reckless in their work I don't, that would cause concern for me and the Foundation because we're supporting the College and hopefully give them the financial ability to move on a number of programs to improve the college

AM I think David brings up an excellent point and I think it is worth researching exactly where we stand in relationship to the College and to the BOR

BW do we have bylaws for the Foundation

AM I thought you got a copy in the (inaudible)

BW Ok, look through it again

DMS here is a man who will understand and will know where we are (referring to ED)

AM how long are we going to give him (jokingly) a couple of hours?

JS until 4:30?

ED, Mr. Chairman, I'm glad Member Sablan brought that up because I've already started looking into that and I have it here as one of the points I wanted to touch on later but since it is

already on the table I totally agree we need to define what the relationships are so that we each know each other's expectations

DMS Amen!

ED and the workflow as far as coordinating events or aligning the vision and goals of the Foundation with the College's is all understood, and I'll work on that.

DMS and where is the linkage between ourselves and the BOR? It is very important ED our link between the BOR, I think according to law the BOR have oversight over the NMC Foundation, and I think the way they fulfill their obligation to oversight is by having two of the Regents on the Foundation Board participating as members.

DMS then I think we should require those Regents to be present at these meetings

AM they were for multiple years Dave, at the time I started serving on the Board, and then they had a meeting and a vote, and voted to no longer attend our meetings

JS what was that all about?

AM I'll tell you in a second

ED so in the Foundation bylaws it actually requires or it says that two of the members will be Regents

DMS regents,

ED yeah, so that is on our end

DMS I don't know what is going on with that

AM it was Judge Lizama, and Rabauliman those are the two who did showed up at all of our meetings

JF it says that the Board of Directors consists of 11 members who shall be elected by the Board

AM right and we are

JF so we elect two from the Regents?

DMS no, they are ex officio

AM now 7 so we have room for four people to be added to this Board

DMS do we have anything about ex officio?

JF yes, and that would be the President of the College, and no more than 2 from the BOR

AM is Jack Kiyoshi considered an active voting member of the Board?

ED I think he represents the

LC the alumni

JS who is that?

LC Jack Kiyoshi

ED president NMC alumni association

JF ok, no more than two members from the BOR as ex officio members

AM but from this conversation now, we are 7 members now but we could be 11

JF right

AM so we are 4 Board members shy

JS you know when I was travelling from (inaudible) Las Vegas, I ran into David Attao, we were in the lounge waiting for our flight and we started talking about the Foundation. And (he gave a good overview of the Foundation and its history. Perhaps we should invite him to present his knowledge of the Foundation to the Board).

SEVERAL SECONDS OF JS TALKING ABOUT THE BOARD'S LIMITATION IN POWER AND IMPLICATION OF BOARD ACTIONS NOT RECORDED

JS if we are calling ourselves a Board then maybe the presumption is that we are cognizant and aware of fiduciary responsibilities of a board. And if that is true, then man I tell you, I want to know what type of liabilities I'm exposed too in terms of both commenting during discussions as well as deciding on actions of the Board because I don't want to be part of any litigation in the future.

LC we don't want to be tainted by actions of the Regents

AM that I don't know if we can do anything about, you bring up an excellent point. My perception, just in my time on the Board, is that we are not tied in that way at all. They run the

College, they run Dr. Hart, they run the College, they are intimately involved and one. Again, our world is raising money. My concern is that they come to us some day and say we want this. JS right, and I wanted to add to Bud's request that it would be very nice to get a really good grasp of what is the overarching goal of the Foundation. Is it to raise money to support underprivileged students that can't have, that have this barrier to access education or?

AM it is multifaceted

JS multifaceted, well lets list it down. I want to see every single facet to sort of give me...

AM ok, did David Attao's overview enlighten you on that?

JS we didn't go into much detail because we were on our fifth deer, so you know

BW you mean you don't remember

JS but I agree Dr. Markoff, Chair, that whatever those facets are it would be good for me to know so that I can efficiently

AM a lot of things coming out here, I mean a lot of questions on who we are and what we are all about, and we need some answers

JS remember that meeting where Dr. Hart was going to suggest the Foundation loan the College \$2 million that they were thinking they were going to lose if we were to lose the Pell Grant, that to me was

BW that's huge

JS yeah, that is huge, we are not in the business of loaning money, and not to mention who is going to service that loan, the Foundation? Well shoot, there are laws that regulate stuff like that.

AM and you don't want to be personally liable

JS no sir

LC I don't think anyone would want to be personally liable

JF no, thank you for one of the things that you said. Our whole purpose is to raise money as we say and we need to have a statement, a compelling (inaudible) that includes a good BOR that are on track, that are doing the right things for the College. That is all a part of us because if they are not doing their work then we are going to have a more difficult time Funds. Why would we donate to the College if they've got problems with their Regents, their programs or failure whatever

JS horse is going that way but the carriage wants to go the other

JF so I think we are all in this together, which brings me back to the thing I wanted to start with. Not only is the Board of Directors is the key to the success of organization and if we are not successful then the organization is not successful. And number 2, we need a brochure that again I think that explains what we all do, what the College does, what the programs are, I mean there is a lot of good things happening there that don't know about. We need that so we can push our requests, to make our ask more acceptable, more appealing. That would contribute to that.

JS I agree because I think by doing that it lends towards activities that will help with fundraising. For example, putting up a website, but for us to put up a website, that website should first be very clear of the vision. It's the push part of marketing that is going to attract other donors or philanthropists that want to say "hey these guys are doing a great thing, I'll dump a (inaudible)

AM you know what I learned from an international dental practice management group that I belong to since the 1970s is how important a vision is, a vision statement that you should be able to repeat in an elevator ride from the 1st to 11th floor. Anybody ask you what your mission is

JF well that's your elevator statement

AM its your vision statement, very short, very concise

JF elevator statement, referring to a 1 to 1.5 sentence

AM well I gotta tell you, I've been on this Board for 3 to 4 years I we would just run through the agenda. The only thing we would talk about is the golf tournament. And what I'm hearing is a lot of wonderful questions and ideas. And its making me feel good because each of you are here because I chose you. And David Burger chose you (JS) but the other 4 people sitting here were my choices, and I've done this before for the same organization and really screwed up, chose

some bad people, or people who I thought were good then came in with preconceived ideas, and the only way this is going to fly, sharing ideas and thoughts is so healthy, not only share but listen. I think we talked last week about the need for a retreat. To really find out who we really are and what we're all about. If we are going to spend all this time, how can we get the best results and be a real support system for the college. That's the whole future of this island is to educate the young people. That is what keeps me going in doing this. Otherwise it would be very easy to walk away from it. So, I've got a whole list of things here and which I'll type up and give to you, things that I heard

BW this?

AM you may have the same thing

Solicitation to Submit Requests for Charitable Donations – Discussed letter to T Bellas re Gap vs Doe settlement funds.

BW I'll add one point, this is a nice letter, thank you for putting this out. It's a request to Tim Bellas to part with some of the funds he has (Doe vs Gap Residual Funds). I've heard two stories, one says we are a 501 c 3 non profit

AM 501 c 3, the c comes before the 3

BW 501 c 3, and then I heard we aren't.

AM we are

BW has anyone seen paperwork

AM David's got it all, David Burger

BW he filled out the application, sent it in to IRS?

AM yes

BW ok

JF but we really need to (inaudible) because the Comptroller says that we are not a 501 c 3

AM which

JF the Comptroller of the College

ED I think the new foundation that was created, I think that one was set up as a 501c3

AM but this isn't?

ED this is not, at least I haven't found any paperwork that says it is so, we err on conservatism and assume that it is not

AM who is the Comptroller?

ED Tracy Guerrero

JF does that mean we are going to be ineligible for a grant (Doe vs Gap Residual Funds)?

ED well, the advertisement specifies 501c3. I don't know if that in itself would exclude us from being eligible

JF but this states that we are

ED 501c3?

AM what states that we are?

ED the letter?

LC the letter.

JF established pursuant to 1 CMC, oh no

BW this letter does not mention the letters 501c3

JF well we'll see if they, yeah you're right

ED so there is a bunch of people requesting this donation. So Bellas will put all those together and present it to Judge Munson who will

JS Manglona?

ED oh so Manglona this time, ok but the Judge will determine with the help of Mr. Bellas, who who gets the money. Jerry brought this up actually, for the letter to be written so we did and hopefully what the advertisement says does not actually bar us from

JF hopefully they don't ask us for a certificate
ED that too

AM this is something we need to do with David when he gets back which is probably the week after next, to find out what our current status is

AM we kinds jumped around on this

BW are you telling us that we haven't followed the agenda?

AM well we kinda jumped to item D under reports while brainstorming so let's go back to B under reports, that's the letter to Bellas

JF which we already talked about

AM so under that we're gonna talk to David Burger to find out our status on whether we are, I don't think we are susceptible to US tax. I haven't heard a word about that in the 3 to 4 years I've been on this Board, not a peep. And Jason could probably answer that too. We could get an answer from Jason tomorrow. Jason would know on the profits that we show each year, whether it is subject to US taxes or not

ED I think he relies on us to tell him what our status is

JF is it on our statement? Can I ask the ED to pursue the 501c3 application for the Foundation so that we can make sure that..

AM we know the new Foundation is a 501c3, the question is, is the existing Foundation a 501c3?

JS do we like the other Foundation?

LC we are its Board

AM right now we are both Boards. As we move forward it should separate so it becomes separate Boards. And the idea when we first did this, with input from Steve (West) to have one Board that was really interested in going out and soliciting monies for the college, and another Board that is interested in doing what we are doing today.

JF doesn't it make sense just to be one Board? Multitask.

AM why don't we discuss that in a future meeting because that really gets into a deep discussion. As a result of the study the Steve West did for us, a four month study, that was his suggestion that we form a separate Board, and we bought into it. If the sense is, subsequently, that we don't need it, then we have the power to do away with it.

JF if all we have to do is raise money (inaudible) that is all we have to do

AM there are people who are uncomfortable doing that Jerry, so then we can say they don't belong on this Board. But this Board, the way its functioning as a brainstorming group this afternoon, is totally different than going out and asking for money. So there is an argument for keeping both.

JF these people should be doing both. And those that are uncomfortable to ask, not everybody is good at asking for money, they can lay the ground work. They can make the connections and let one of us others...are you getting ready to contribute?

BW put your money in there and pass it around.

AM ok, let's table that as a point of information, the need for a second Board

DMS what is that for?

BW I'm saying I'm willing to raise money.

JF that is why we are here

ED Mr. Chairman, if I may and going back to the 501c3, I'll verify that with Mr. Burger and depending on what he says we'll bring it back up to the Board if we are going to pursue 501c3 or not

JF or whether we already are

AM and if we are not

DMS we should qualify for under 5013c because we are not going to be able to raise the ideal sum of money in the CNMI alone. One of the things we discussed in the previous time we met was for Richard to find somebody externally who will help him raise a bigger sum of money in the States or elsewhere

AM I don't know what else to say, who could disagree with that?

DMS for instance, I heard the most frequent way or the most, is raise money playing golf. But my god, playing golf that is penny ante stuff. We are talking into the hundreds of thousands of dollars, ok. Otherwise, why have a foundation? Where is the source of income for this (inaudible) income from the investment? Virtually none

AM right now, that is correct

DMS So what I think I'm saying is that we have this 501c3 this would at least make people in the United States who are amenable to the CNMI to give money and get a tax deduction on that contribution. If we are talking about hundreds of thousands of dollars, that is the way to do it. If we are talking about \$4,000 then we got no problem. Call for a golf game once a year and you'll get \$4,000 and forget the rest of the year. Why have a Board?

AM no, it is more like \$50k

DMS that is exactly what I'm saying, you're not going to be able to raise \$50k here. We'll just have golf game and raise \$5 to \$8k? That is penny annie stuff.

ED so basically the 501c3 opens up the door even wider

AM I think it is already open, I think we've gotten meled in this conversation, something that is nonexistent. We're beating a dead horse. I can't imagine that this Foundation would around for as long as it has and not be a 501c3.

BW I don't know that but perhaps it is just one phone call

AM even Hector, at Dave's office may know the answer because he knows everything that goes on there

Review Priorities Established in Planning Study Conducted by Strategies for Philanthropy -- Identify Next Steps to Implement With New Timetable

AM you added this in Richard

ED no Mr. Chairman, this was a carryover from the previous agenda, November. For this one, my only question is has the Board adopted the study or were there any issues or concerns that need to be discussed. I've read through the report and it makes sense to me. There is only so many ways to raise money and most of those are included in the report. It talks about a lot of stuff that we are talking about here, especially the need for the Foundation and the Regents to have a cohesive plan and vision. And also the need to establish what our vision is and a plan of how to get there, or fulfill that vision.

JS I haven't seen this report. Would it be possible to get a copy?

AM you didn't get a copy

JS no I did not

ED I have an extra copy I can provide

AM incredibly informative. It is a roadmap.

JS wonderful but does it square with what we are trying to do here?

AM absolutely

JS so can I also know if we can hear from the guy who did this?

AM Steve West

JS he is not available anymore

LC I don't think so, he came at a previous meeting but I think after that he would

AM he's teaching at Marianas High School

JS oh he is here? Lets buy him lunch and have him give us s 30 minute presentation

AM how about a drink? Five beers? Steve is a good guy and incredibly knowledgeable about fund raising. He is a great resource. Not to use him would be a huge mistake.

JS wonderful

AM if I can just finish, there is concern on this Board, in the community that there is a conflict of interest because he sleeps with the President of the College. Personally, and these are my own personal feelings, I don't see any conflict at all. If we are working to raise money for the

college, we have nothing to say about how it is run, how the college is run on a day to day basis. I don't see a conflict, I've never seen a conflict. But they see a conflict.

JS who is they?

AM Dr. Hart sees a conflict and she is concerned about it because it has been written about in the paper and he doesn't want to upset her. So it becomes a mutual

JF I see a conflict only because there is a relationship, it is what it is

JS but who paid what?

AM we did

JS the Foundation?

AM yeah

JF I'm not sure

AM \$16,000, yes it came out of (inaudible)

JS so that is where the conflict is, Dr. Hart is part of this Board

AM she is ex officio

JS but still there is a conflict

AM I think there is less of a contract now because a) her contract has been renewed, and b) she got a \$20,000 bonus for another two years

JS so are you saying we can't use the study or that we can't ask him to do a presentation

AM we can use the study that is not a problem Joe, and I don't think there is a problem in inviting Steve to come and talk to us. That is wouldn't be a conflict, all he is doing is explaining the study. We are not asking him to do anything for us. If you just scan it, it would take you hours to go through the whole thing but you'll see an incredible road map.

JS so we are going to adopt this for the BOR and the Foundation (inaudible)

AM that is the idea for a second Foundation came from

DMS I want to consult with some legal eagles on my suggestion that we see if he has a business license to consult

AM he does have one

DMS he does have one, so why doesn't he operate under his business license? Who is going to protest?

JF what is the difference? Its Steve, it doesn't matter if he has a corporation of whatever

DMS to satisfy the curiosity and to step away from any possible allegation or accusation of conflict. At least he got one corporate veil to isolate himself from any criticism.

JF I just say it is what it is, whether he does business under his own name or under

DMS there is nobody else on this island that is like Steve

ED so a simple search, even an informal one would kinda put people's mind to rest, we did a search, he was the only one

AM if you just listen to the conversation around this table, you would never put everyone's mind to rest. There will always be, and I'm not criticizing you Jerry, I welcome your view, but I don't agree with it. And its always going to be that way. What we were dealing with when we hired him for that four month period was the Saipan Tribune, and the woman that had to get her story on the front page and being incredously critical of Foundation Board. And there was somebody at the college who was feeding her this information. She was calling me I was in Houston, I got so angry I just hung up.

JF I don't mean to be construed as a negative because it is not about me, its about the Foundation. So what's good for the Foundation, is what I'm in favor of. So I don't want to be singled out as that voice that is saying we got a problem here. I just want to share the concern that is out there, the obvious situation of what is there and deal with it, not stick our heads in the sand

AM you have to be aware that there is going to be a difference in opinion on how people view that Jerry. In your heart of hearts you think it is a conflict, and I think many of us around the table don't see it, and that is ok to disagree, we agree to disagree

JF so again, its not about me, its about this Foundation.

AM right, so you may have a minority opinion.

JF but it doesn't matter, I have an opinion but its just an opinion

AM you know what they say about opinions

JS if we really want to discuss this in detail, are we worried about whether the Foundation procured the services of West improperly, or are we worried about Dr. Hart's continued worry that she is going to be stigmatized by it

AM when it started when it originated when we first hired Steve, it was at her suggestion.

JS her suggestion?

AM of course

JS where were we

AM who else would've known about Steve's background.

JS ok, I'm not an attorney, but here is the problem. If the Foundation was looking for the services of a consultant to do a study then the Foundation has a duty to search for those services, not just sole source, that is the problem here. If Dr. Hart suggested Steve and the Foundation without question endorsed it then you have a problem cause then you have a conflict of interest. But if we went to the public and said, yes we put out an announcement, requests for proposals, all these proposals came in, we scrutinized and we selected

AM we did not do that, and in retrospect you're probably right, but it was a short term assignment, it wasn't a long term problem

JS the only other way, legally which procurement regulations do (inaudible) because we can't just function without abiding to some form of procurement regulation. We are not a vigilante board, and we can't just do things on our own. We have to abide by certain laws, and if we are tethered to the College then the College is subject to procurement regulations

AM in that sense we are tethered to the College

JS then if we violated those procurement regulations, I think we need to backtrack. Ask an attorney what to do. That is my concern.

AM how would you backtrack. We paid him for four months of labor and he provided us with much more than we paid for. We got so much more than we asked for, how are we gonna go back? We got a road map.

JS who's to say we could have gotten the same if not more from another consultant?

AM on this island?

JS no not on this island

AM if went to the US

JS we don't have to go to US, we can go to Guam. You probably agree with me that there is a good chance that we could find a consultant in Guam that can do the same work. There is a university there.

JF if I could suggest, this has gone

AM right, its over

JF we got a report, its useful, I would suggest we just

JS Jerry my problem is, sorry

JF move on and whatever concerns, then they can be applied at that time in the future

JS so let me voice my concern then because if we don't get clarification I need to resign from this Foundation because I don't want to be subject to any liability in the Future, you see what I'm saying, if we did something wrong

AM where is the liability?

JS I just discussed it, if we procured his services improperly then there is a liability, and if we can't get legal clarification, then it is an exposure to the Board and its members. Maybe nobody is going to make any noise right now but there is a potential of someone filing a complaint
LC may I ask a question? Were there two members of the BOR present during the Foundation when it was voted that (inaudible)

AM I'm pretty sure there

LC and they voted

AM they don't have a vote, they are ex officio members, for guidance

LC but they were there? So they were aware

JS but the Board voted to

AM I can't look at you and tell you you're wrong, you might be 100% right. I don't know the answer to that, it is worth looking into. What we can do about it, I have no idea. That is a legal issue. Sometimes things are better left alone. It is over, done with, we got more than what we bargained for and what we paid.

JF I for one wouldn't want to pay an attorney to look into this. I have enough problems with attorneys

Bylaws - Discussion on increasing number of members to the Board

AM one of the things on the agenda and we've really gotten away from this, all of us, is item E, discussion on increasing the number of members of the Board. We have room for four people. I would like to see a local attorney sit on this Board. So we can get an opinion on the issues the all of us are raising and we don't have to pay for any answers.

JS would you able to find an attorney that will pull through?

AM I would just like to brainstorm, if you would drop down to number E on the agenda an everybody give me a name of somebody you'd like from the community. You had some excellent suggestions last week, somebody from Bridge Capital, the Joeten Foundation. All of you may have somebody else that you might think would lend something to this Board. I'm just saying that out of the four, I would like to see one have a law degree.

JF you really do want an attorney on this Board? I suggest we have a committee to do a trustee search and comes back to the next meeting, is that too long?

AM I think it is important that we have a lot of members as soon as possible only because our visibility. You don't want to take five minutes to brainstorm? Bud you got anybody?

BW I would like to see Baldwin or Sean from over there, Bridge Capital.

AM a representative from Bridge Capital.

DMS Sean Baldwin and Shawn Scot

AM David, suggestions

DMS I have nobody

JS still thinking

LC a few come to mind but are not related to any company, Brien Nicolas, and Joe Bermudes, both attorneys

AM Jerry you had someone from the Joeten Foundation. My suggestion is an attorney who is an easy going guy. I would be comfortable talking to Mike.

JF, Joeten family I would throw in Frances Demapan

JS how about the next generation, I know her, I'll talk to her

DISCUSSION ON NOMINEES TO FILL VACANCIES

DMS Jerry Tan and Maggie Sablan

AM to me if we got Maggie and Frances on this Board we'll have two huge foundations represented on the Board

JS if I may suggest the third generations, Bo Palacios, Jason Sablan

Vickie Concepcion, Juan Lizama, Vickie Izuka, FHB

Director's Report

AM next is Director's report, do you have one

ED actually Mr. Chairman a lot of the stuff I wanted to talk about we already touched on so maybe next time I'll have a more formal report

AM President Hart is not here, Comptroller Guerrero is not here, anyone have anything else?
JF now the Richard is onboard, I'm just wondering what is his connection with the Board, where does he get direction from or consult with from day-to-day?

AM it should be here with the Chair

JF it would be you

AM and having served on more than ten boards, Richard it is important that you hear this because it is not directed at you personally, it is concept. Executive Directors serve at the pleasure of the Board of Directors. I've been on boards where the Executive Directors were dismissed because they took over too much. I'm not accusing (inaudible). It is a new position for us, we've never had an ED before so this is new territory. I would like for you to communicate with me on everything, and I in turn can communicate with the Board, and I will because it is not my Foundation, its our Foundation.

JF amen

AM you should have someplace to go, whoever is Chair of this Board and I think in the first meeting of 2014 we should look at officers of the Board, President, Vice President, Secretary, Treasurer. **That should come up at the next Board meeting.**

LC I would also like for our ED to have ready for us at our next meeting an operational budget.

AM ok

BW and what are we going to do about advertising for the secretary position?

LC I have a copy of the draft

AM and that has to go through the College

BW I think the College handled the nuts and bolts of the advertising, HR did a very good job for us. I felt well served with what they did.

JF they were very professional, they even had a representative sit in on the interview to ensure everything was appropriate.

AM my only critique is that it happened very slowly, it took a lot of time. And I'm hoping with you there that we go directly to you, and that you go directly to whomever you need to because your office is at the College. The cadence is going to pick up.

JS it wasn't a procedural problem

AM they were busy, rightfully so, they were preparing for accreditation. And so they were distracted. I'm not criticizing I'm just saying in our world we need response as soon as we can, same thing with the minutes. **Hopefully I would like to see by the end of the year, or next week, that these are typed up and disseminated via email.**

AM next thing is the next Board meeting.

JF the bylaws say the Board shall hold meetings in April, July, and October, whatever that is worth

LC that is quarterly

JF in addition to an annual meeting. For whatever it is worth, I'm comfortable going to April.

DMS February

AM I think right now

JS I'm really excited to learn more about this plan and how it is going to square with the vision of the Foundation.

DMS are we suggesting that the next meeting be in April?

AM I think right now, while we are trying to formulate all of this, every month or six weeks so we develop some momentum. Once we've got momentum then we could spread it out a little bit. And when we have more people on the Board we could have committees that are functioning.

DMS may we suggest February, do you the names of the candidates for the Board? Can you distribute them via email, and if you want assign who is supposed to approach who.

AM Friday afternoon, February 7th?

JF Friday afternoon is tough

AM is it the day or the time, or both?

JF I'm just saying its the end of the week and its 3:00pm

DISCUSSION TIME AND DATE OF NEXT MEETING

ED to check on schedule availability of BOR conference room for next meeting

JF do you have any fundraising ideas over the next 3 months since we are a fundraising organization

ED From the November meeting I think the idea was to go over the report and from there establish a timeline, which I'll start working on and go from there

AM you have great ideas, form an ad hoc committee, choose your members, and come up the some ideas, brainstorm on how we can start raising money in the year 2014. A golf tournament would be terrific to have it back on the books, and get a hold of Ben Babauta cause he knows how to do that, he is very good at it. But there can be other things we can do. One of my suggestions would be a gambling night, rotary does that and they make a lot of money.

JS how about a real pretentious \$1,000 dinner black tie huh Bud

LC yeah bring in the big guns

JF you'll make about \$4,000.

AM you'd be lucky if you made \$4,000

JF well there are only four black ties on the island

AM would you like to serve on his committee

JS sure, I'd love too

AM can we get motion to ajourn

BW motion to ajourn

DISCUSSION ON EXECUTIVE SECRETARY POSITION

ED I'll get a Word version to you so we can track changes, are we adjourned?

AM yes we are adjourned.

MEETING AJOURNED 4:30PM