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BOARD OF DIRECTORS REGULAR MEETING

2:00 p.m., Tuesday, September 25, 2012

Terminal Conference Room No. 3

AGENDA

- I. Call to Order and Attendance
- II. Approval of Agenda
- III. Approval of Minutes
 - A. Board Regular Meeting, August 29, 2012
- IV. Correspondence
- V. Matters for Board Ratification/Approval
 - A. Grant Agreement 3-66-0001-83 – Extend Runway 06L/24R – Phase X
 - B. Grant Agreement 3-66-0001-84 – Rehabilitate Runway 06L/24R – Phase II
 - C. Approval of GIAA FY2013 Insurance Program Renewal
 - D. Ratification of Disbursements
- VI. Old Business
 - A. Executive Manager's Report
 - B. Financial Report
 - C. Legal Counsel's Report
 - D. Tenant Matters
 - E. Status of Capital Improvement Programs
- VII. New Business
- VIII. Executive Session
- IX. Public Comment(s)
- X. Adjournment





A.B. WON PAT
INTERNATIONAL AIRPORT AUTHORITY, GUAM
ATURIDAT PUEYTON BATKON AIREN GUAHAN ENTENASIONAT

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MINUTES OF THE BOARD OF DIRECTORS REGULAR MEETING
2:00 p.m., Tuesday, September 25, 2012
GIAA TERMINAL CONFERENCE ROOM #3

I. CALL TO ORDER AND ATTENDANCE

Vice Chairman Francisco G. Santos called the A.B. Won Pat International Airport Authority, Guam (GIAA) regular meeting to order at 2:00 p.m. The presence of Directors is noted as follows Director Jesus Q. Torres, Director Rosalinda A. Tolan, and Director Martin J. Gerber. Also present Executive Manager Charles H Ada, II, Deputy Executive Manager, Peter Roy Martinez, Carlos P. Bordallo, Acting Comptroller, Frank R. Santos, Business and Financial Consultant, Jannalyn C. Damian, Legal Counsel. The Vice Chairman welcomed the presence of Airport Tenants, stakeholders and members of the public who are noted in a sign in sheet made as an attachment to the minutes.

II. APPROVAL OF AGENDA

Director Torres made a motion to approve the agenda, seconded by Director Tolan; motion carried.

III. APPROVAL OF MINUTES

A. August 29, 2012 Board Regular Meeting

Director Tolan made a motion to approve the minutes for the Board Regular Meeting on August 29, 2012, subject to correction, seconded by Director Gerber; motion carried.

IV. CORRESPONDENCE

No correspondence was presented.

V. MATTERS FOR BOARD RATIFICATION/APPROVAL

A. Grant Agreement - Extend Runway 06L/24R-Phase X

GIAA Business and Financial Consultant Mr. Frank R. Santos presented Grant Agreement 3-66-0001-83 to Extend Runway 06L/24R-Phase X for Board's Approval. Management has requested the Board's acceptance to approve the grant award of \$2,000,000.00.

Director Gerber made a motion to ratify Grant Agreement – Extend Runway 06L/24R-Phase X, seconded by Director Tolan' motion carried.



B. Grant Agreement-Rehabilitation Runway 06L24R – Phase II

Management has requested the Board's acceptance of Grant Agreement 3-66-0001-084 to Rehabilitate Runway 06L/24R-Phase II in the amount of \$5,441,024.00.

Director Gerber made a motion to ratify Grant Agreement – Rehabilitate Runway 06L/24R-Phase II, seconded by Director Torres; motion carried.

C. Approval of GIAA FY2013 Insurance Program Renewal

The Executive Manager recognized the presence of the Airport's Insurance Broker, Ms. Annmarie Muna of AM Insurance, who presented a summary of various insurance carriers who responded to the insurance specifications for the Airport. She also explained the process of renewal and presented the following policies along with a comparison from FY 2012 to FY 2013:

<u>POLICY</u>	<u>FY 2012</u>	<u>FY2013</u>
Property	\$ 741,671	\$ 716,153
Property (Cat Cover)	<i>(Included in the Above Premium)</i>	
Airport Operators Liability	425,000	425,000
Directors & Officers	80,000	100,000
Workers Compensation	80,000	74,400
Automobile Insurance	45,698	38,486
Excess Automobile	<i>(Included in the Above Premium)</i>	
Crime Insurance	<u>11,700</u>	<u>11,500</u>
TOTAL:	\$1,384,069	\$1,365,539

(Premium In Comparison for FY2012 to FY2013 is \$18,530 less)

Management recommends the Board adopt and ratify the FY2013 insurance as appended.

The premium costs for all coverage including Catastrophic perils for FY13 is \$1,365,539 net of the broker's commissions. This represents a total savings of \$18,530 per annum compared to the FY12 premium cost of \$1,384,069.

As there were no further questions, Director Tolan made a motion to ratify the approval of FY 2013 Insurance Program Renewal, seconded by Director Gerber; motion carried.

In relation to Airport Insurance, the Executive Manager Mr. Charles H. Ada, presented a letter sent to the Board Chairman Mr. Michael Ysrael dated September 19, 2012 from Senator Rory J. Respecio concerning the Aviation Insurance Requirement. Mr. Ada informed the Board that Senator Respecio is referring to GIAA's general aviation

Insurance requirement that sets its aviation liability insurance at \$1M for each passenger on a seat in an aircraft, with a \$10M minimum even if the aircraft has fewer than 10 passengers. Mr. Ada also reported that Senator Respicio's concern with GIAA's current policy limits the ability of the smallest aviation businesses to succeed and that the Board has the authority to change the self-imposed requirement. The Executive Manager reported the Senator Respicio is ready to assist GIAA in preparing and introducing a bill if a legal conclusion states that legislation is required. Management called on Mr. Mike Moody Airport Insurance Consultant from Iris, Ltd. to respond. Mr. Moody reported to the Board that he is currently exploring ideas and working on a study that would potentially bring down passenger liability costs, but at this time could not make a presentation. Mr. Moody did assure the Board that a response regarding the matter should be presented to GIAA Management in the early part of next year. Board had no objection.

D. Ratification of Disbursements

Director Torres made a motion to ratify the approval of payments over the \$50,000 threshold made to vendors for the period of September 5-September 24, 2012, seconded by Director Tolan; motion carried.

VI. OLD BUSINESS

A. Executive Manager's Report

The Executive Manager presented brief reports on Airline Issues, Executive and Legislative Issues, and he announced that GIAA will be entering the Fiscal Year 2013 which should commence on October 1, 2012. He reported that United Airlines remains committed to keeping Guam as one of its hubs, but plans to close the Guam contact center, reduce its airport operations staff and outsource cargo handling operations.

He also reported that Runway 6L became operational for taxi purposes on August 1, 2012 at 10:00 a.m. A notice to Airmen has been issued regarding the operations, and all airline operators have been briefed on Runway 6L issues.

It was reported that Airport Management conducted a brief Informational Briefing for the Committee of Transportation on the Airport's Master Plan on September 19, 2012. The Authority and its Master Plan Consultant, Parsons Transportation, delivered a presentation on the recommendations of the Master Plan and fielded questions from the legislators. This briefing followed a successful presentation to the signatory airlines held on September 18, 2012 and was followed by a stakeholders and the employees of GIAA briefing on September 20, 2012.

B. Financial Report

The Acting comptroller's report as of August 31, 2012 was presented for Board's information. He also announced an audit of the Airport's financials will commence next month.

C. Legal Counsel's Report

Legal counsel requested that the report be presented during Executive Session. The Board had no objection.

D. Tenant Matters

Miss Angela Ng, a representative of Eva Airlines addressed the Board and Management to introduce Mr. Garrin Lin, the new General Manager for Eva Air Guam. Mr. Lin thanked the Board and Management for allowing him the opportunity to formally introduce himself.

E. Status on Capital Improvement Programs

The Undistributed Obligation schedule was presented for the Board's information.

VII. NEW BUSINESS

No new business.

VIII. EXECUTIVE SESSION

Director Tolan made a motion to convene Executive Session after a brief recess, seconded by Director Gerber. At this time, the Executive Manager announced that he be excused from the Board meeting to prepare for his departure off-island and that the Deputy Executive Manager Mr. Peter Roy Martinez will take his place; Board had no objection. The meeting recessed at 3:30 p.m.

Executive Session was called at 4:02. Executive Session adjourned at 4:57 p.m., at which time the presence of two representatives from Tecker, Torres & Tecker (GIAA's Conflicts Council) were present, Mr. Brian Kelley and Miss Brooke Wright. Both representatives are present in place of Mr. Phil Torres, who is currently off-island, to discuss the opinion letter submitted by Mr. Torres regarding the issue of a conflict of interest concerning Chairman Michael Z. Ysrael.

The Board made a motion for Conflicts Counsel to draft a formal policy addressing the Chairman's conflict of interest. Director Torres made a motion to direct Conflicts

Counsel to work with Management to draft a general policy that articulates and provides direction that can be used to identify any conflict of interest on any issue that includes leasing of Airport property, whether it's aeronautical and non-aeronautical business, seconded by Director Tolan; motion carried.

Vice Chairman Santos requested the Board to make a motion to pay Pac Air LLC in the amount of \$88,200 for the month of September, Director Tolan made the motion, seconded by Director Torres; motion carried.

IX. PUBLIC COMMENTS

No public comments.

X. ADJOURNMENT

As there was no further business, Director Torres made a motion to adjourn, seconded by Director Gerber; motion carried. The meeting adjourned at 6:15 p.m.

Respectfully Submitted,

Rochelle D. Uson
Board Secretary

APPROVED:



FRANCISCO G. SANTOS
Vice Chairman of the Board
Attachment

Date



A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM
BOARD OF DIRECTORS REGULAR MEETING
2:00 P.M., TUESDAY, SEPTEMBER 25, 2012
GIAA TERMINAL CONFERENCE ROOM NO. 3

SIGN IN SHEET

	<u>PRINT NAME</u>	<u>COMPANY/AGENCY</u>
1.	CHARLES H. ADA II	GIAA
2.	J. G. JAVELLANA	GIAA
3.	A. BAUTISTA	GIAA
4.	BENNY A. BAZA +3	ARPF
5.	VICTOR J. COUZ	GIAA
6.	Gerard BAUTISTA	ATM-GIAA
7.	Jimmu Camacho	Sen. T.C. Ada
8.	Jeffy Moya	CIC
9.	J. CALAN	GIAA
10.	Annmarie Muni	Am Ins.
11.	TRISH GRANILLO	AM INSUR.
12.	Wib Woody	IRIS, LTD.
13.	FRANK SANTOS	GIAA EPC
14.	ANGELA NG	EVA
15.	GARRIN UN	EVA
16.	MUNA ESPANOL	GIAA
17.	BRYAN KELLY	Tucker Torres & Tucker
18.	Brooke Wright	"
19.		

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