

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE
A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM**

**Thursday, July 31, 2014, 3:00p.m.
GIAA TERMINAL CONFERENCE ROOM #3**

1. CALL TO ORDER AND ATTENDANCE

The July 31, 2014 regular meeting of the Board of Directors of the A.B. Won Pat International Airport Authority, Guam ("GIAA" or the "Authority") was called to order by Chairman Untalan at 3:17p.m. at the GIAA Terminal Conference Room #3, 355 Chalan Pasaheru, Tamuning, Guam, 96913.

Directors Present:

Edward G. Untalan
Martin Gerber
Rosalinda A. Tolan
Lucy M. Alcorn

Offices or positions:

Chairman

Directors Absent:

Jesus Q. Torres (Excused)
Gurvinder Sobti (Excused)

Vice Chairman

GIAA Officials:

Charles H. Ada II
Pedro R. Martinez
Carlos P. Bordallo
Frank R. Santos
Jean M. Arriola
Gerard Bautista
Robert D. Camacho
Victor Cruz
Ed Muna
Joseph G. Javellana
Franklin Taitano

Executive Manager
Deputy Executive Manager
Acting Assistant Comptroller
Business and Financial Consultant
Air Services Manager
Air Terminal Manager
Chief of Police
Engineer Supervisor
Airport Operations Superintendent
Program Coordinator IV
Procurement Administrator

Janalynn Cruz Damian, Esq.

GIAA Legal Counsel

The 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 these minutes.

2. APPROVAL OF AGENDA

The Chairman asked if there were any changes to the agenda. No changes were requested. On motion duly made by Director Alcorn, seconded by Director Tolan, the agenda as presented was unanimously approved.

3. APPROVAL OF MINUTES

A. June 26, 2014 Regular Meeting

The next item on the agenda was approval of the minutes of the June 26, 2014 regular meeting.

On motion duly made by Director Alcorn, seconded by Director Tolan, the following resolution was unanimously approved:

Resolution No. 14-46

The Board hereby approves the minutes of the June 26, 2014 regular meeting.

4. CORRESPONDENCE

The next item on the agenda was Correspondence.

The Executive Manager informed the Board that there was no significant Correspondence to report, however announced that Mr. Ron Simpson of the FAA's Hawaii Office and a representative of the Los Angeles Office would be on Guam for a very short visit this upcoming weekend, and will meet with the GIAA Management team.

At this time, Chairman Untalan announced the resignation of Board Secretary, Amanda O'Brien-Rios. The Chairman stated that she has represented the Board very well and kept the Board well informed during her tenure, that she would be greatly missed. The Board and Management presented a certificate of appreciation to Ms. O'Brien-Rios.

5. OLD BUSINESS

The next item on the agenda was Old Business.

A. Status of Capital Improvement Projects

The first matter discussed was the Status of Capital Improvement Projects. Mr. Frank Santos, Business and Financial Consultant, presented three (3) schedules to the Board

for review. The first schedule presented was the UDO (Undistributed Obligations Analysis). Mr. Santos provided updates relative to 2010 projects, announcing that the FAA stated that the four (4) projects needed to be closed out before the end of the fiscal year. Mr. Santos announced that the FAA has approved the extension of the noise mitigation project in the amount of \$1.3M. He went on to announce that with regard to AIP79, the FAA published the notification of the environmental assessment report for the storm water and sewer design, which is available for review at their regional office and on GIAA's website. The result of the finding was that there was no significant impact; approximately \$370,000 will be de-obligated, and returned; it cannot be used for anything other than the purpose of the grant. Mr. Santos provided additional updates on FAA grants.

Reporting on the Capital Improvement Fund, Mr. Santos informed the Board that the balances included are as of July 31, 2014 and went on to provide brief updates to the Board.

The last schedule, the Bond Capital Improvement projects, Mr. Santos informed the Board that a presentation to the Stakeholders was held on the Hold Bag Screening project in late June; the bid for the general construction is expected to be advertised in October 2014. Reporting on the International Arrivals Corridor, Mr. Santos announced that recently a working session was held to discuss the 10% conceptual design effort; in attendance were Management and a number of Board members, with a presentation to the stakeholders occurring two (2) days later. Mr. Santos directed the Board to images relative to the International Arrivals Corridor, and provided insight into the project. Discussion followed relative to the International Arrivals Corridor, with Mr. Santos announcing that more details will be available at the 30% level, expected October 2014; with a single bid, phased approach expected for April 2015. Mr. Santos announced that the budget offered was \$53.9M. Chairman Untalan suggested that for Gensler & Associate's next visit in September 2014 that GIAA hold a press release to get the public excited about the new changes expected at the Airport.

Mr. Santos informed the Board of another item Management would like to bring to the Board's attention. The Board approved a lease agreement with Tandum Skydive in March 2012 in the construction of a hanger on the south ramp side. Legal Counsel, Janalynn Damian informed the Board that Management is requesting for the Board to reaffirm the prior approval of the lease agreement. Chairman Untalan inquired on the terms. Mr. Santos announced the terms of agreement, and stated that it is for a twenty (20) year term with two (2) five (5) year options. Discussion followed relative to the finance terms. For clarification, Chairman Untalan informed the Board that due to a recent Bill passed; any lease agreements longer than five (5) years would need prior approval from the Legislature, unless the agreement was entered into before the Bill was passed.

On motion duly made by Director Tolan, seconded by Director Gerber, the following resolution was unanimously approved:

Resolution No. 14-47

The Board hereby reaffirms the prior approval of the lease agreement between GIAA and Tandum Skydive, subject to legal counsel review.

6. NEW BUSINESS

The next item on the agenda was New Business.

A. Approval of Award –IFB No. GIAA-003-FY14, Purchase and Delivery of Crew Cab & King Cab Vehicles

The first matter discussed was the approval of award under the Invitation for Bid for Purchase and Delivery of Crew Cab & King Cab Vehicles, IFB No. GIAA-003-FY14 (the "IFB"). The Executive Manager informed the Board that the IFB solicited bids from professional firms for purchase and delivery of crew cab and king cab vehicles to be used for the Properties & Facilities Division. Two (2) firms purchased the bid package, however only one (1) firm submitted a bid proposal before the established deadline. The firm was evaluated and determined to be acceptable. The Executive Manager informed the Board that the total contract award for this bid is \$129,560.00, submitted by Atkins Kroll Inc. Funding for this bid is available under the CIP budget. Management recommends that the Board approve the contract award of \$129,560.00 to Atkins Kroll Inc., who has been determined to have met the standards of responsibility and responsiveness outlined in the Guam Procurement Regulations.

Mr. Franklin Taitano, the Procurement Administrator announced that the vehicles offered were 2014 Toyota Tacoma, Pre-Runner Sports with crew cab and king cab options; a total of four (4) vehicles. Discussion followed relative to details of the vehicles, with Mr. Taitano announcing that the color of the vehicles would be white.

Chairman Untalan inquired on the fact there was only one company that responded to the bid. Mr. Taitano replied that a number of other companies have existing bids that are being held by other government agencies which he felt was the reason they were deterred from participating.

After further discussion, on motion duly made by Director Gerber, seconded by Director Tolan, the following resolution was unanimously approved:

Resolution No. 14-48

The Board hereby approves the contract award for Purchase and Delivery of Crew Cab & King Cab Vehicles, IFB No. GIAA-003-FY14 to Atkins Kroll Inc. in the amount of \$129,560.00.

The Executive Manager announced that Management would like to present Agenda Item C next.

C. Approval of Award – IFB No. GIAA-004-FY14, Purchase and Delivery of Police Package Motorcycles

The second matter discussed was the approval of award under the Invitation for Bid for Purchase and Delivery of Police Package Motorcycles, IFB No. GIAA-004-FY14 (the "Police Motorcycles IFB"). The Executive Manager informed the Board that the Police Motorcycles IFB solicited bids from professional firms for purchase and delivery of police package motorcycles to be used for Airport Police Division. Two (2) firms purchased the bid package, however only one (1) firm submitted a bid proposal before the established deadline. The firm was evaluated and determined to be acceptable. The Executive Manager informed the Board that the total contract award for this bid is \$101,460.00, submitted by Cycles Plus. Funding for this bid is available under the CIP budget. Management recommends that the Board approve the contract award of \$101,460.00, to Cycles Plus, who has been determined to have met the standards of responsibility and responsiveness outlined in the Guam Procurement Regulations.

Discussion followed relative to the details of the Police Motorcycles IFB and the current motorcycle inventory.

After further discussion, on motion duly made by Director Alcorn, seconded by Director Tolan, the following resolution was unanimously approved:

Resolution No. 14-49

The Board hereby approves the contract award for Purchase and Delivery of Police Package Motorcycles, IFB No. GIAA-004-FY14 to Cycles Plus in the amount of \$101,460.00.

B. Approval of Award – RFP No. GIAA-007-FY14, Insurance Consulting Services

The third matter discussed was the approval of award under the Request for Proposals for Insurance Consulting Services, RFP No. GIAA-007-FY14 (the "RFP"). The Executive Manager informed the Board that the RFP solicited proposals from professional insurance firms to assist GIAA in managing its Insurance Programs. As required under the Airport Bond Indenture, the Authority is required to engage an insurance consultant

to review the Authority's self-insurance program. The contract term is for a year to year basis, not to exceed a total term of five (5) years. A total of five (5) firms showed their interest by obtaining the RFP package; however, four (4) firms responded by submitting their proposals before the established deadline. After receipt of all proposals, an Evaluation Committee was established to perform an independent evaluation of the proposals to determine the best qualified proposer. The proposals were evaluated based on the point system assigned for each criteria identified in the RFP package. As a result of the evaluation committee's tabulation, the selected firms in order of their ranking are as follows:

1. Proposer A
2. Proposer D
3. Proposer B
4. Proposer C

Management recommends the approval of the ranking results and the contract award to Proposer A, as the highest ranked proposer, subject to negotiations of fair and reasonable fees. In the event that the negotiations prove unsuccessful, GIAA Management will enter into negotiations with the next highest ranked proposer.

Director Alcorn inquired on the evaluation committee. The Executive Manager announced the members of the evaluation committee. Discussion followed relative to the firms.

The Chairman inquired on the contract amount. The Executive Manager responded \$48,000.

After further discussion, on motion duly made by Director Gerber, seconded by Director Alcorn, the following resolution was unanimously approved:

Resolution No. 14-50

The Board hereby approves the ranking results and contract award to Proposer A for Insurance Consulting Services, RFP No. GIAA-007-FY14, subject to negotiation of fair and reasonable fees, and legal counsel review. If negotiations prove unsuccessful, GIAA Management will enter into negotiations with the next highest ranked proposer.

The Executive Manager announced to the Board that Proposer 'A' is Iris Ltd.

7. REPORT OF EXECUTIVE MANAGER

The next item on the agenda was the report of the Executive Manager.

The Executive Manager reported on various matters concerning airline and charter operations to include United Airlines announcing on July 26, 2014 the termination of three (3) Japan routes, effective December 14, 2014

1. Guam – Hiroshima, effective December 19, 2014, weekly seat capacity of 266 passengers
2. Guam – Okayama, effective December 20, 2014, weekly seat capacity of 266 passengers
3. Guam – Niigata, effective December 14, 2014, weekly seat capacity of 266 passengers

United also announced decreased frequency on the Guam – Sapporo route from four (4) times weekly to two (2) times weekly, and cancellation of a fourth daily flight planned to be implemented in February 2015.

Reporting on Customer Service, the Executive Manager informed the Board that in preparation for various customer service initiatives, and to use technology to inform passengers and the public to have greater and quicker access to airport information, the Airport is in its final phases to roll out the following services:

1. Wireless access in the concourse areas
2. Guam Airport mobile application for smart phones and iPads
3. Refreshed Website with streamlined look
4. Refreshed Airport logo for contemporary uses as icons on different promotional and identity platforms

All programs are at the 90% completion stage, with equipment installation being the final piece to finally make these programs active and announced to the public within the next 30 days. The Executive Manager directed the Board to an attachment on the Executive Manager's Report containing a refreshed Airport logo design. The Chairman inquired if the design required approval from the Board. The Executive Manager replied that he did not believe so, as the existing Airport logo was not previously approved.

Director Tolan inquired on who designed the logo. The Executive Manager replied that the design was completed by Big Fish Creative. Discussion followed relative to the design, with Ms. Jean Arriola informing the Board that the old design would be phased out slowly. Ms. Elfrie Koshiba, of GIAA's Marketing Division informed the Board that the new design will firstly be used for electronic devices and apps.

Director Tolan requested for an update relative to Cebu Pacific. The Executive Manager announced that TSA had informed Management of a meeting with the Airline during the upcoming week, and provided the Board with a brief update.

Director Gerber inquired on Charter flight numbers. Chairman Untalan added by requesting from Management a spreadsheet of sorts containing information on the charter flights. The Executive Manager replied that he would have that put together.

The Executive Manager announced that GIAA's Fiscal Year 2015 Financial Budget has been compiled with all divisions' input. An overview of the Preliminary Budget was presented to Signatory Airlines at a meeting held on Tuesday, July 29, 2014.

Relative to Procurement, the Executive Manager announced that the submission for the Boom Lift and Trailer IFB is August 5, 2014; and the submission deadline for the Insurance Broker Services RFP is August 8, 2014. Brief discussion followed relative to the Boom Lift.

Lotte Duty Free celebrated its one (1) year in operation at the Airport, with a ribbon cutting of its upgraded facilities on July 23, 2014. Improvements and enhancements in the retail core, the food court, restrooms and new construction of a family room and a world class aquarium represents \$20M in upgrades invested in the Guam Airport. The opening was covered by the prestigious Moodie's Report - a Travel Retail and Duty Free Business Intelligence publication.

The A.B. Won Pat International Airport Authority, Guam and its airlines and tenants took a first look at options to constructing the International Arrivals Corridor in the Main Terminal at a stakeholder meeting held July 17, 2014. Design concepts were presented by the Airport's design firm, Gensler and Associates.

At this time the Executive Manager announced that even though GIAA did not place in the float competition at the recent Liberation Day Parade, he commended both the ARFF and Police Division's for a job well done. The Executive Manager also announced the upcoming Governor's MagPro awards to be held in August 2014.

Going back to the Airport's logo, the Board offered suggestions for the design.

8. REPORT OF THE COMPTROLLER

The next item on the agenda was the report of the Comptroller.

Mr. Carlos Bordallo, Comptroller, provided a report to the Board on the revenues and expenses of the Authority as of June 30, 2014. Mr. Bordallo reported that year-to-date Total Signatory Revenues are above budgeted revenues by 0.6%, year-to-date Total Concession Revenues and Passenger Facility Charges are above budget estimates by 1.4% and 0.5%, respectively. Further, year-to-date Total Other Revenues, inclusive of non-signatory and non-airline revenues, are above the budget estimate by 6.1%. Year-

to-date Total Operating Revenues Actual of \$50.2M is 2.1% above the budget estimate of \$49.2M. Year-to-date Total Operating Expenses are below budget by -10.3%. The actual year-to-date Net Revenues from Operations of \$22.8M reflects an increase of 22.1% over the year-to-date budgeted amount of \$18.7M. The Authority's year-to-date results for Debt Service Coverage is at 1.55 versus the requirement of 1.25.

Discussion followed relative to the amount of GIAA's cash on hand.

9. EXECUTIVE SESSION

On motion duly made by Director Tolan, seconded by Director Alcorn, at 4:35 p.m. the Board recessed regular session.

Upon written recommendation of counsel, the Board convened executive session at 4:40 p.m. to discuss pending litigation. Executive Session adjourned at 4:49 p.m., at which time the Board reconvened the regular session.

10. PUBLIC COMMENTS


The next item on the agenda was Public Comments. Chairman Untalan called upon any public member wishing to make comments. There were none.

At this time Director Tolan requested for an update relative to the Signage Policy which was approved by the Board at the April 2014 regular meeting. The Executive Manager provided a brief update, stating that with the technology upgrades being launched within the next 30 days, it would be wise to launch the announcement for signage at the same time.

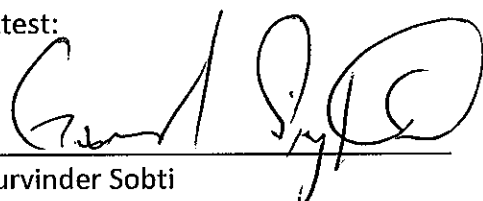
11. ADJOURNMENT

There being no further business to address before the Board, on motion duly made by Director Tolan, seconded by Director Alcorn, at 4:51p.m., the meeting was adjourned.

Dated this _____, day of _____, 2014.



Edward G. Untalan
Chairman

Attest:


Gurvinder Sobti
Secretary

Prepared and Submitted By:

A handwritten signature in black ink, appearing to read 'M. Sablan', written over a horizontal line.

Maria DeVille Sablan
Corresponding Secretary



A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM

BOARD OF DIRECTORS REGULAR MEETING

3:00 P.M., THURSDAY, JULY 31, 2014

GIAA TERMINAL CONFERENCE ROOM #3

SIGN IN SHEET

	<u>PRINT NAME</u>	<u>COMPANY/AGENCY</u>
1.	Jim Amato	GIAT
2.	CHUCK ADA	GIAP
3.	Gerard Bautista	GIAD
4.	VICTOR J. CRUZ	GIAA
5.	Garby Bordallo	GIAA
6.	J.G. JAVELLANA	GIAA
7.	JOHN R. Ballesta	GIAA-ARFF
8.	ELMER KOSHIBA	GIAA-MKTG
9.	FRANK P. TANTANO	GIAA-PROC.
10.	TRACIA GRANILLO	DM Insurance
11.	ROBERT COMASO	A.P. Chief of Police
12.	FRANK SANTOS	GIAA EOC ^{Business & Financial} Consultant
13.	EDUARDO MUNA	GIAA - OPS
14.	CALEB	GIAA P/F.
15.		
16.		
17.		
18.		
19.		

20. _____
21. _____
22. _____
23. _____
24. _____
25. _____
26. _____
27. _____
28. _____
29. _____
30. _____
31. _____
32. _____
33. _____
34. _____
35. _____
36. _____
37. _____
38. _____
39. _____
40. _____
41. _____
42. _____
43. _____
44. _____