# Chamorro Land Trust Commission

(Kumision Inangokkon Tano' Chamoru)

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*Commission Members*

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*Oscar A. Calvo*
*Acting Commissioner*

*Pauline Gumataotao*
*Commissioner*

*A Tommy Guerrero*
*Acting Commissioner*

*Carmen G. Tajalle*
*Acting Commissioner*

*Joseph M. Borja*
*Administrative Director*


COMMISSION MEETING MINUTES
Guam Ancestral Lands Commission Conference Room
Suite 101, Anigua Commercial Building
Reconvened meeting, July 2, 2008; 3:02pm-5:15pm

## I. CALL TO ORDER

Meeting was called to order at 3:02pm by Acting Chairman Pro-Tem Oscar Calvo. Present were Acting Commissioner David Matanane, Acting Commissioner Tommy Guerrero, Acting Commissioner Carmen Tajalle, Administrative Director Joseph M. Borja and Legal Counsel Rebecca Santo Tomas. Not present was Commissioner Pauline Gumataotao.

The Administrative Director commented that the Commission did not finish the agenda at the last meeting. There are three items on the agenda which are the Advisory and Administrative Matters, Unfinished Business - 2 items and Executive Session.

## VI. ADVISORY and ADMINISTRATIVE MATTERS

The Administrative Director commented that under the Advisory and Administrative Matters we had moved this on the agenda from the last meeting to give the public a chance to speak. However, this Advisory and Administrative Matters is where the administrative part of the Commission actually reports back to the Commission on several items of concern that either the public or the Commissioners themselves have raised up. It is also the part of the agenda where we make our report concerning finances and of course any questions from the Commissioners that we have. This Commission having been recently appointed to its full complement of 5 members I do want to let you know that when I first came on the job we did meet with the Governor and at that time the Commission Chairman Mr. Delfin Damian. We got together and tried to look at the problems that the Commission had and we developed a series of initiatives that we went ahead and wrote down. Basically these are things that we wanted to do.

**Policy Initiatives**:

1. **Complete the 5 member Board, appoint the Chairman and the Director, have governance, ethics, policy and substance session** – You Commissioners being here, the full 5 of you, this completes the Commission. This is the first meeting I'm not sure in the last two years that actually had a full complement of 5 Commissioners. That was a very important initiative that we needed to and of course that one is the initiative that had to be taken by the Governor. The Governor needed to take that step to appoint you. The Chairman of the Chamorro Land Trust Commission is not elected or selected among the members by election. It is actually a position that is appointed by the Governor. The Director is actually hired by the Commissioners themselves, the Governor doesn't

hire him. I was put in this position in a temporary position to begin with and that is why we developed some of these initiatives and some other items.

2. **Realign existing staff, seek lateral transfer of experienced, trusted Land Management employees (4 of them) and to create, fund, recruit and hire critical positions** – As we get further into the development I will show you what our staffing pattern is. Today we have most of the employees we have here and I do want to introduce them.
   - James Diaz – A Program Coordinator but he is actually the acting Administrative Services Officer. He is the guy that does the payroll, procurement and things of the administrative nature.
   - Jesus Mesa – Land Agent I, who had been with the Commission for 8 years.
   - Balbino Gumataotao – Land Agent I, who had been with the Commission for 8 years.
   - Eileen Chargulaf – Land Agent II, who is actually our Land Agent Supervisor who had been with the Commission for 11 years.
   - Allan Quan – Land Agent I, who had been with the Commission for 7 years.
   - Lorraine Nededog – Private Secretary, unclassified position who is actually acting as the land agent in charge of the Agat area.
   - Teresa Topasna – Word Processing Secretary II, who is also the Board Secretary getting the Commission minutes out in time and is the word processing person for the leases, utilities authorization and basically any and all documents that the Commission has.
   - Eileen Quichocho – Keypunch Operator, who is actually in charged of the database. There is only one person that works on the database allowing things to be changed in the data. The database is a sensitive issue because everybody that applies has their social security numbers in there so we try and keep a control on that. Secondly, when ever reports are generated it is usually 5 or 600 pages because of the large size of the database. We try not to print any reports. Most of the reports are dated reports that you generate today and might not be good tomorrow. We try to cut down on paper cost by not generating those reports unless we absolutely need to. Normally the times when we generate the hard copy of those reports is when the legislature asks for some sort of report as well as the media or any member of the public. The personal information is kept behind especially the social security number. Anytime a person asks for a report we literally have to do it to create it because we don't really have any reports laying around that are up to date or may or may not have the social security numbers in them.
   - Kimbley Lujan – Planner IV, has been on medical leave for about 16 months who holds a critical position because he handles the commercial division.
   - Desmond Mandell – Land Agent I, out on leave due to family medical situation who also holds a critical position like the Planner IV who are in divisions of actually a one-manned division.
   - Not mentioned: Greg Sablan – Records Management Officer currently on leave.
3. **Recreate the Commercial Division** - Basically this is out of necessity as well as an audit by the public auditor. The commercial division is budget critical because all of the money that the Commission uses for its operations comes from licenses and leases that we issue that generates funds for us. We don't use any general fund money. We only use money that comes in through those licenses and leases and that is why the commercial division is very critical. It is very critical plus the division records are actually in a state of disarray although in the last three months we've gone through great strides

to recreate the files. We've had problems finding files, we've had problems creating a database. The database has been created now for the commercial division but we do need to enter some data in it. For example, is the license active, is the account payment current, is it delinquent, where is the approval of this license? The commercial division is in a very bad situation but it is also very critical because that is where we get our operation funds that's why it is a high priority. We actually listed these initiatives in the order of priority.

4. **Immediately provide adequate and realistic space for operations** – This is not really not our office here, we operate next door in about 1,700 square feet but we actually use probably about 1,300 square feet. The other 400 square feet are hallways, restrooms and files. We are very crowded next door and production as well as customer service and the way we treat our customers sometimes suffer because of those crowded conditions. We are looking at relocating into this particular office space. Right now we are meeting in an office that is actually owned and operated and paid for by the Ancestral Lands Commission so we are basically using their conference room right now. We need to get some realistic office space which we are working on. I know that the previous Commission did approve office move but somehow or another the previous administration in the Commission here did not complete that move.
5. **Respond and implement the Office of the Public Auditor audit recommendations** – Out of 7 recommendations that the public auditor had, 5 of them we have already complied with. The two issues that we had not complied with is an audit of the commercial division files and to provide some stability into the commercial division. Meaning that even if you have one person in the division there should be somebody else trained in the office to take over in case that particular person doesn't quite do the job.
6. **Construction of new office building for land agencies and the Election Commission in Block 24, Hagatna** – This is the big vacant lot right next to Julaje. The middle part of the lot belongs to the Land Trust. Land Management is taking the lead in getting the building built and financing of the building. The Commission had previously authorized by resolution, reserved the property in Block 24, Hagatna for the building and part of the building of course would be the home for the Commission. We are working with other agencies to be a part of the building so it won't be just us. Election Commission is in there because they asked to be a part of the building. They had some federal grant money for an election center but Government land in Hagatna is at a shortage and they don't have any land so they are looking at coming along with us.
7. **Compliance review of issued leases and licenses** – Request by the previous and present Commission to go back to these people who had been issued licenses and leases to make sure that they are in compliance with the terms of their licenses and leases. This is a very labor intensive situation because it actually requires that staff go out and work in the field to do these inspections. These inspections of course when they are out in the field vehicles are used, gas is used. We are working with the University of Guam's College Extension Service, the agricultural branch under Jeff Barcinas and Bob Barber and we are looking at having teams of 3 compliance inspectors. One of the compliance inspectors would be from the Dept. of Agriculture to inspect on an agricultural basis whether they are actually using and planting things right. The other part of the inspection team would be from the agricultural extension service so that if there is a reason why this particular farm is not successful the extension service would be able to provide some information and solutions to these people. Maybe they have bad soil, need a windbreak or whatever the agricultural need by that particular farm would be addressed by that inspector. The third member of that inspection team would

be someone from the Land Trust and then we can compile all that data. We will be inspecting for three different reasons. Land Trust would be if you're leasing agricultural land for 4 acres, are you utilizing the 4 acres? Dept. of Agriculture will be inspecting for the agricultural aspect, are you really conducting agricultural activities there or can you do better or is there a problem that you don't do better? The last component would be the College of Agriculture service where they would hopefully provided some sort of recommendations to make their farm successful.

8. **Reconciliation with other GovGuam agencies and departments of lands inventory and land registration of Chamorro Land Trust lots** – Our inventory every once in a while gets raided by other departments. Fortunately or unfortunately the Chamorro Land Trust has most of the government properties so at any given time, the fire department needs land for a fire station, GHURA needs land for a senior citizens center, they need land for a farmer's outlet or they need land for a water well or something like that. We need to reconcile our inventories because in our inventory right now for example we have the Tamuning Mayor and fire station lot in our inventory, we have Tamuning Elementary and LBJ Elementary school in our inventory, we have also some of the Dept. of Administration staff housing in our inventory. There are problems with our inventory in terms of jurisdiction over some of these properties. Of course some of our lots I believe approximately 71 of our 411 lots are unregistered lands meaning that the government doesn't have title to it and that is the second part of initiative number 8 where the lots have to be taken through the land registration proceedings. The reconciliation of the inventory by public law, Land Trust, Dept. of Land Management and Dept. of Public Works are supposed to develop a list of lands or lots that are available for land exchanges. This is so that the legislature as well as the administrative branch can take care or provide closure to some of these pending land exchanges that had been passed by public law through out the years but have never been implemented by one reason or another.
9. **Develop a master land use plan for Chamorro Land Trust lands, update the lots classification** – Some of our lots definitely should be just agricultural, some of lots are potentially commercial lots and some lots should be saved for homelands for residential units and of course the zoning and the development of those zoning maps. The Governor's Office, the administration through Bureau of Statistics and Plans is planning on putting out a Guam Land Use Master Plan and like I said the Land Trust holding the great majority of government lands we do expect to be involved with deeply and heavily with Initiatives 8 and 9 with other government agencies.
10. **Continue processing of 10,000 applications** – The total number of applications we actually have is approximately 13,000. 3,000 of them have not been paid. The application was made but the $50 application fee was not paid. We have that in a separate database and previous Commissions and administrations have established policy that when and if those people come in to pay the application fee then they will maintain their place in line. 10,000 are actively being processed which are both residential and agricultural. We have approximately 3500 agricultural application and approximately 6500 residential applications and about 300 requests for commercial use of Chamorro Land Trust properties.
11. **To review and recommend organizational, administrative, staffing and financial budget matters** – The Commission of course makes policies, staff and the Director carry out that policy but a lot of the policies that you guys make would have to be translated into some sort of action. In the latter part of my presentation when we take up

budget matters and we take up the oversight hearing I do have some comments concerning the organizational, administrative, staffing and budget matters.

12. **Review and recommend rent and fee structures for adjustment** – For example right now we don't have the authority to charge if somebody were to come in and say I want a copy of your database listing of applications and it's 600 pages long. We really don't charge for that 600 page report number one. Number two, it's never been really defined what the rates are for commercial use of Chamorro Land Trust properties. It's basically been set at 6% and basically that is by default but there is never really any statute that sets it exactly at 6%. Other laws allowing for lease of government land allows for 6 to 20% rent structure so the Commission should look at that and see if they have any comments on it. I do want to let you know that because of the oversight hearing the legislative committee on oversight of the Land Trust has undertaken the review of the draft commercial rules and regulations. They may be introducing that in bill form. The other issue about rent and fee structures and this is basically information for the Commissioners is that the way the fee structure is set up now we charge $1 for a quarter acre and we charge $1 for a 20 acre parcel. It's a dollar per tract. That's according to the law. We cannot change it administratively and that's why maybe the Commission might want to take a look at that. It's not a very popular thing to increase the rent or fee structures but every application and lease that comes in here we charge $149 for 99 years; the $50 application fee, $1 a year for 99 years. In terms of staff time and resources we spend probably about $1500 processing that lease in terms of staff time, paper and field visits and things of that sort. So right off the bat we're loosing money in that process.

13. **Implement and collect PILOT as per Section 75112, improvement and land tax on CLTC property** – The legislature in the 80's I believe added another section to the Chamorro Land Trust Act which allows for the collection of PILOTS, payment in lieu of taxes. Because Chamorro Land Trust properties are actually primarily government lands there is a law that states that you cannot really tax government lands. The legislature came up with this item called the PILOT so that they don't actually call it a tax but it is in some sort of payment that is in lieu of taxes. Basically what that means is that people using Chamorro Land Trust properties are required to pay real property taxes on it and if you have a house on it you are also required to pay the building tax on it just like everybody else. Now this also goes for these people that are using Chamorro Land Trust properties for commercial use and also for use of Chamorro Land Trust properties by even non-profit organizations. For example the Rugby club, one of the terms is that they have to pay taxes on it. Revenue and Tax just started collecting that this year. You will see sometimes in the delinquency reports of Chamorro Land Trust Commission but they are no where catching even probably 5% of what we have there in leases. The reason why they don't catch it is if that lease between the Land Trust and the clients is not recorded at the Dept. of Land Management that information is not transmitted to Revenue and Tax to assess those lots. The money that is collected under that section is deposited into a special account at the Dept. of Administration under what they call the Home Loan Guarantee account. That account is supposed to be used to provide collateral for mortgage loans, home construction loans that we make with USDA, VA, GHC, SBA and HUD. There are no local banks that have taken out or accepted mortgages on Chamorro Land Trust property but we do have a lot of federal institutions that take out those loans. For example, Veteran's Affairs, SBA and USDA. We have approximately 12million dollars worth of homes out. We can take Commissioners on a

field trip to show them some of the houses and they are of course homes built with building permits and the such.

14. **To review and recommend processing priority for adjustment** – Right now we are processing people on a first come first served but that does not give any regard to them on their capability of building a home or their capability of surveying the property. The next guy in line may not have the capability of surveying his lot and may not have the capability of qualifying for a mortgage loan. We do have some people that are further down the line and they've already been approved for financing. Or we have maybe a handicapped, physically challenged individual that may qualify for a program like with GHURA to upgrade or build himself a handicap designed home but because he is not next in line we can't really service him. Or for example some people that may be homeless but may have the capability of building themselves a shelter but they are not necessarily in line.

**Organizational Chart**

The Administrative Director commented that the Commission actually comes from the enabling legislation by law then the Governor appoints the Board and Chairman. The legislature confirms the five member board and then we're part of the Dept. of Natural Resources under the Executive Branch and of course you have the Commission and it's a five member Board. I like to show it like this because for other land agencies it's different for example the Director of Land Management is directly under the Governor whereas the Director of the Chamorro Land Trust is actually under the Board. So I take my orders from the Board, I actually don't take it from the Governor but we are part of the administrative branch. The Commission actually has four different divisions that we have now.

1. Administrative Services Division - handles payroll, procurement, administrative stuff which actually has three staff.
2. Logistical Support Division - reviews the maps, take care of the maps, handles all the records and archives that we have which has two staff.
3. Leasing Division - There are 4 people in the staffing pattern but actually 6 people are involved in that. One is the land agent supervisor, 3 junior land agents and then the Private Secretary Lorraine and the Director himself.
4. Commercial, Government, Non-Governmental organizations, Non-Profit and Sports Division - 1 member division that is very critical because basically that is where our money comes in. The biggest amount we get under the commercial division is $18,000 a month from the golf course in Dededo but are behind. We have a big problem in the commercial division because we only have one person here, the records are not in good condition and the records haven't really been updated for about a year.

Acting Chairman Pro-Tem Calvo inquired on the golf course issue why are they behind.

Administrative Director commented I don't know the times are tight on that but I just used that as an example but there are other more serious behind on it. But I think that looking at that rather than looking at each individual we need to look at the bigger picture especially because at the last meeting out of the 19 items in the New Business, 18 of them is going into the commercial division and some of them are big ones. That particular division when someone comes in to request a license of that it takes all sorts of work. He has to research whether that lot is available, he has to coordinate the signing and all these meetings with the attorneys and the people themselves and then provide a report back to the Commission whether it's a good deal or bad deal or table it. I cannot impress upon the Commissioners

that out of 19 items in the New Business agenda 18 are under that commercial division issue.

5. Loans Division – We have it down in paper but really there is nobody in that loans division. We have several loan programs that we have now. We don't know exactly how many loans we've guaranteed. I have an estimate on a report that was done about 6 years ago but I don't have a definite amount because there is nobody in that division. We're doing loan surveys, the survey loans where the Commission approved some money to loan some money for these people. At some point in time somebody has to make a report to the Commission and say you know what we have 2million dollars in collateral deposit and we're rolling out too much money to cover our collateral. We don't have that report in here. This one is not critical in that sense because out of maybe 12million dollars in loans we've only had one default.

Going back to the commercial division we are going to run into a problem with that because that is where our bread and butter comes in. For whatever reason there is a dramatic increase for the request for Chamorro Land Trust properties both in terms of numbers and also in terms of types of properties they are asking and the size of properties they are asking. We have some crown jewels like Ypao Point, the big lot in Mangilao, Alupat Island and some others. Plus, just yesterday I received a request to purchase 4 bull cart trails. So the public is seeing that all these bull cart trails that may not be useful for anybody but still belongs to the Commission and we've had 4 requests to purchase and of course we're still waiting for advice on whether we can sell it or not.

**Staffing Pattern**

Administrative Director commented now what are we going to do with all that work and not enough people? Well we do have a plan for it and it came in two phases actually. We started last budget year creating positions but are vacant and unfunded meaning there is no money for them. But administratively and personnel wise they are already created. What is the use of creating it and we don't have any money? If the Governor has any money available for transfer authority he could fund these positions and because they are already created we don't have to go back to the Civil Service Commission, to DOA to recreate it they have already been created legislatively at the last budget year. Why were they not funded? I guess because times were bad last year. The positions that we are looking at to fill are:

1. Land Agent I - If we could handle another one it could sure take a load off some of the other land agents.
2. Engineering Technician - To handle the review of the maps. The backlog that we have now, this would be the person to handle that.
3. Land Agent III - We need an experienced land agent and normally the supervisory ratio is 3 or 4 to 1 supervisor.
4. Land Abstractor III - We are going to need to do some land registration for our lots. Somebody has to do the research and do the change of title for our particular lot.
5. Data Control Clerk - This is the person who is supposed to audit all of the commercial files. The database has already been set up, he has to open all those files and find out if the person has a license, when he did he get it, has he been paying, if he hasn't been paying then he has to send out a notice. This would be the guy. A Data Control Clerk is a real entry level position but this type of position would have the skills necessary to do those audits.

6. Clerk I - This is to provide assistance to the people in the archive section.
7. Administrative Aide - Administrative position basically to file and copy files.
8. Administrative Services Officer - If you look at our entire staffing pattern we really don't have a position for administration. The position that is handling that type of work now is the Program Coordinator. The Program Coordinator should be best put over at either the loans division so that person can coordinate that loan program. If we move him over there we would need somebody to handle the administrative services of the department. Now we tried to create this before and we've always been shut down with Dept. of Administration when we tried to go through the administrative process. The reason why they kept shooting it down is because they kept saying that our agency is too small. Whether your agency is big we are going to need to process payroll, process procurement whether there is one employee or two employees. This particular Administrative Services Officer handles a 4million dollar account. Not necessarily that it is a small agency but the amount of money that this guys administers for the department is about 4 million dollars and I think that also should be considered.
9. Planner III - We need to do master land use plan for our plans. When people come in and say do you have a list of your commercial lots, we don't because we've never designated a bunch of lots for commercial purposes or agricultural or residential purposes. Why is that important? Because we need to let the utility agencies know that we are planning on opening a 100 lot subdivision and we need to make sure that they have the water available when we build. That is why we need the Planner III.
10. Computer Programmer I - What we have now handling our computers is a keypunch operator. For some of you who are as old as I am we don't have any more keypunch equipment. A long time ago there used to be those IBM cards with all the holes in them that is what that position is. This position was a carry over from a transfer but what we really need is a computer programmer and right now we only have one person handling the computers. I don't want to seem unpatriotic but she is also a military reserve person so every once in a while she goes on military deployment so we need at least another one to be trained on that. I do want to say that our computer system that we have is very good. We have a server that we are all networked on. However, the database program that we have is just about reached its limits. The database program that we have to handle those 13,000 applications comes with the computer. It's an access program and it's not really meant to handle that big. For each one of our 13,000 applications we have about 72 bits of information on that person; age, address, phone number, prior military service, what your bank is, your income, your beneficiary, your lot number and all of that. Our computer consultant has advised us that we are just about at our limit and we are in danger of crashing the system because it's that big. I did mention this in the previous meeting that we will be coming before the board to request to update our computer system.

Out of the 12 new positions that we will be looking at about 4 of them are administrative positions that we can give and take except for the Administrative Service Officer.

**Budget**

Administrative Director commented a report was done by Tom (former Director) previously and I haven't confirmed this in but 1999 we brought in about $200,000. Originally we were tracking in lapse about $54,000 and we were trying to get information from DOA and BBMR as to how much we have in lapse. We thought we had $54,000 lapse but what we actually had lapse is $185,000 so there was $185,000 cash that belongs to the Commission that

was sitting somewhere but we weren't told about that. Last years budget for the Commission was $497,000 and we only spent $440,000. We were given a budget this year by the front office and BBMR of $501,000 which was an increase of about $3,000. So they increased our budget last year of about $3,000 but I say you know big deal we saved $185,000 here so can you increase our budget by $185,000 which is just our money so we can direct that money to hire some people to assist us. We already have the positions created we just need to fund those positions in there. I refused to sign the budget package that went over to the legislature. What basically is the way that we do this budget is the front office actually says this department, that department, that agency your budget ceiling is $500,000 and develop a budget that does not spend $500,000. The reason why they do that is of course they want to control the general fund to make sure that it doesn't go out of control. But the thing is we are not asking for general fund money we are asking for money that we already made. We are not asking for advance money and maybe we'll make that much next year, no. That money is already collected. It is already what I like to say is green money. It's already collected, it's in a cash account. It's not money that we expect to make but BBMR refuse to do that so I refused to sign the budget. The budget went over to the legislature without my signature and when we had the budget hearing Senator Calvo asked if the budget that was submitted was enough to run the agency adequately and my answer was no and he was a little taken aback by that. But it's not enough to run the agency and I'm just asking for money that we made and money that is in our account. We've prepared a budget that is over our budget ceiling that takes into account what our expenditures are plus the $185,000 lapse that we made that we did not spend. BBMR refuse to sign off on the budget that we prepared and I refuse to sign off on the budget that they prepared. The budget committee at the legislature will not accept any budget that is not certified by BBMR so we don't have a budget at the legislature. I've met with our oversight chair Speaker Won Pat and she said to submit our budget to the oversight committee which is Speaker Won Pat. She'll take it through the budget hearing process where they actually have a hearing on that and at least its not a 100% commitment but she will look into us spending the money that we made regardless of what the ceiling was from BBMR. We haven't seen it yet so it's not a guarantee. Also Chairman Calvo and I met with the front office yesterday and the front office has basically assured us that as long as we are asking for our own special funds that they won't object to the legislature with the increase budget ceiling as long as it is just our funds on that.

**Governance and training sessions**

Administrative Director commented I do want to let the Commissioners know again having new Commissioners you know that there have been at least some boards, GPSS has been criticized as being involved too much in the operations or not involved enough in the operations. I do know at Commissioner Matanane's hearing one of the Senators did bring up the issue of possibly maybe at least this Board of Commission micromanaging the administrative services of the Land Trust the staff itself. That is not true, there is no such issue on that. I do want to let the Commissioners know that as Commission members we do have training programs available concerning governance. Governance basically is the relationship between the Commission and the staff as well as the Director and as well as the other entities of the Government of Guam. Commissions are a little different than a regular department. A line department the director makes the decision. You guys are not employees of the Government but you do hold a great amount of power over government assets and government policy by doing that so I do want to let the Commissioners know that we do have available a governance training session. Also available from the staff and

the Director are briefings and work sessions. A lot of these issues that come up sometimes have a lot of details on them, the process has a lot of details on them. The lots that we have are scattered all over the island, we do have the survey loan programs and we do have the application for residential, agricultural, commercial and non-profit use. I do want to let you know that we do have briefings and work sessions available for the Commissioners if they so choose as well as field visits and field inspections. When a complaint comes before the Commission about a lot in Tagachang if you guys want to see where it is at call us up and we'll set up a site visit. Or if we're talking about a new subdivision that we created up in Yigo, a 140 lot subdivision and I say there is no roads and you say show me that subdivision that you created that you don't have any roads for it because I'm going to come back and say can we open up a road on it. Rather than just taking the director's word or looking at a map if you guys want to go out and see that we can do that it's not a problem. The Chairman and I have been out to a couple of sites that he wanted to see and also we're available Saturdays and Sundays to go out and see these particular sites.

Administrative Director commented that is basically the end of my budget report. In general we operate with two budgets. One budget is the one that is appropriated by the legislature but the money that they appropriate is our money. Again, I like to say green money and white money. White money is money that the legislature creates. They say you are hereby appropriated a million dollars. As a matter of fact in our enabling legislation there is a one million dollar appropriation to the Land Trust but we've never been able to collect that because there is no cash behind it. There is no green money on it. The money that the legislature appropriates to us is green money because all these people that are doing commercial licenses and leases they go to Dept. of Administration and they pay there. That money is put into a separate account that reimburses the government at the end of the year. So during the year my salary the salary of the staff are being paid by DOA but at the end of the year they do a journal voucher and they take from that account to pay off the general fund for that account. That is one source of our budget. In a way they do advance us some money on that but in the end who pays for the operation, it's the Commission. The second account that we have the second part of our budget is money that we actually hold and that money is in the Bank of Guam in three separate accounts. One is a time certificate of deposit which I believe is either $200,000 or $300,000 and the other one is a certificate of deposit which is about either $200,000 or $300,000. Those two accounts, those two instruments are about a half a million dollars total. That half a million dollars is used to secure mortgages that USDA issues to build homes on Chamorro Land Trust properties. We have a MOU with USDA that they will issue loans to build houses on Chamorro Land Trust properties but we have to have collateral in half a million dollars. That is what we have in there now. Previous to recommendation by Mr. James Diaz and previous to this Commission almost 2 million dollars was being held in a separate bank account that was getting something like $27 a month in interest. This particular account since the Commission authorized it to be reinvested with the Bank of Guam just a month ago we took out the interest of $15,000. Just that money sitting idle and based on the recommendation by Mr. Diaz who is a Program Coordinator who should be the Administrative Services Officer he took the initiative to go out and shop around and came back to the Commission to deposit that elsewhere where we could make a lot more interest. That other budget money that we have is approximately $824,000. Half a million in two separate instruments is deposited as collateral. The access that we have there of approximately $224,000 that is basically our operations. We pay for power, rent, legal counsel fees and supplies and like that. The money that we use through DOA basically pays for payroll and then again that is

reimbursed. We're kind of a little different from other agencies because we have that separate account. That separate account because several years ago the legislature took away our control of the entire account at this particular point in time that account never gets a credit into it so the balance in that account would always go down. If the legislature doesn't do anything about it at some point in time it may zero out because we are paying rent and others. I have asked the legislature at the budget hearings to allow us to receive money into that account. Even if we were to take and we were to approve one-third of those New Business applications that have come in, we're looking at five new commercial licenses to bring in and a couple of them should be pretty big. Last year we collected $626,000 our goal this year is to collect $750,000 to a million dollars. Where are we going to get that? From new licenses that the Commission is looking at possibly approving and by hopefully providing a staff member in the commercial division to go after these delinquent accounts and some accounts that haven't paid.

Acting Commissioner Matanane inquired on the budget that you requested, how much are you requesting. Just the excess?

Administrative Director commented we are requesting last year's budget of $497,000 plus the $185,000. Senator Calvo did mention that if we are projecting $750,000 or $800,000 would you like the legislature to consider that. I actually told the legislature no at least administratively because there is no guarantee that we will collect that money. That is our target but I would like to be able to deal with what we have. The budget battle that I have now with BBMR and the legislature is tough enough without having to ask to spend money that we don't actually have.

Acting Commissioner Matanane commented at the same token we are not assured to get the lapses that you are requesting. If you do request for that as the estimated value like you said you want to reach that goal of $800,000 or a million so we should work on that and open up the position that is needed in the commercial area and open the ASO so it will generate more.

Administrative Director commented I have one more budget meeting with the committee and this is of course why I am presenting it to the Commission because there is a problem with the budget right now. But I think it also calls for at least some policy guidance from the Commission as to how the Director should proceed with the budget request.

Acting Chairman Pro-Tem Calvo commented I think from looking at the vacancies that we have and there are a lot of vacancies there I think that if we initiate the amount whether we get $800, $900 or a million dollars for that matter just as an example because we are already assured that we are going to get $497,000 and the question remains we're asking for $185,000 in addition. But I don't want to see that as its there because its ours, its our money and I want you do to do like what Dave is saying is maybe if we opted the budget and I think we can justify the budget because of the vacancies that we have. For example if we put in $800,000 budget for example not putting in the $185,000 that we have initially so if that $800,000 was to be approved we have an additional $185,000 that is in our own coffer.

Acting Commissioner Matanane commented if you ask for that would the legislature fund it from the general fund and if they are not willing do to which we are only asking for our funds

which they are using for what ever purpose which is not right. It's not a Trust account really to me. I'm having problems with the Trust there because it's not really a Trust anymore. I have a very serious concern about that and I'm very uncomfortable about it.

Acting Chairman Pro-Tem Calvo inquired if the Director would be comfortable in moving the budget up to that.

Acting Commissioner Matanane commented if they give us from the general fund that is fine.

Administrative Director commented if we have that budget that just means that I better make sure that we collect that much money. A couple of those positions that we bring up we'll get a return for it. We may hire that position at $32,000 but that position may bring in maybe $50-60,000 in collections.

Acting Chairman Pro-Tem Calvo commented and that is the whole concept. If we can get that budget this year for example and we can get the business running and all the other vacancies if we can, those positions up and running then laterally for next year we are going to get more in the business area and then we are going to start getting all these back track people that hasn't paid. You know for a fact that has always been my point of target and we can't lay low anymore on these people. People that say well like the golf course $18,000 and if they tell me they are behind $150,000 to $200,000 that is not my problem. If you can't pay then I think it is only high time that we go up there and maybe take three or four (did not finish).

Administrative Director commented I will have staff prepare a budget that takes that concept of bringing it up to about $800,000 and we'll see what we have in terms of staff.

Acting Chairman Pro-Tem Calvo commented base it on the vacancies that we have not on the $180,000 knowing that they know that so if you base it at $800,000 on the budget issue at least what is the worst scenario like you said if they don't give us but I don't want to stick to $497,000. The vacancies that we have, how many do we have 12 vacancies?

Administrative Director commented if we can get 6 or 8 of that.

Acting Chairman Pro-Tem Calvo commented that is what I'm saying but if we base it on $180,000 and adding that to the $497,000.

Administrative Director commented if it is just the $186,000 we might be able to get 5 positions.

Acting Chairman Pro-Tem Calvo commented what I foresee here is once we get that and we get that budget we immediately work on that and then we can start doing our own generation in the present area and then maybe we can start picking up some more.

Administrative Director commented that he will proceed on the budget with that concept.

**Oversight Hearing Report**

Administrative Director commented we've had about 4 or 5 issues that actually came out because of the oversight hearing and that we've done already. We are organizing staff training by the Commission and staff and Dept. of Administration's training division. Basically the training will involve customer service. That is a big complaint that we had at the hearing and it's not necessarily that they didn't know what they were doing but just courtesy and being nice. That was the big complaint that we had is that our people were rude and did not provide the customer service. Secondly, in the staff training would be a review of the rules and regulations. Actually what are the rules and regulations and what are the details. The third item would be land agent technical review to make sure our land agents know how to read maps and know how to process the technical documents. Fourth would be application processing review. Again this is something that the land agents should know, all staff members should know. But we want to do a review because there were some complaints on that issue also training on maps, survey and surveyors. We had a complaint that maps were being held back, staff did not know what the process was to do a survey and how come staff is recommending for example a certain surveyor.

Acting Chairman Pro-Tem Calvo commented on the map issue correct me if I'm wrong when these people go out and make their own survey actually the final map approval is really up at Land Management and it just comes back to us saying that it's a legitimate map now. It's legal and approved and we sign off on that map.

Administrative Director commented we sign off before it goes to Land Management.

Acting Chairman Pro-Tem Calvo commented that can set us back in many ways because of the massive on the Land Management portion. In other words we have no control on that.

Administrative Director commented we have no control on the Land Management part. The control that we have here, the reason why it's other than it being our property the reason why its being forwarded to the Land Trust is to make sure the land assignment is correct that the piece of dirt is not assigned to more than one person. That we don't make a mistake where land agent number one says that lot is available and another land agent says that lot is available and then you have conflict. The second item why it's referred to the Land Trust is we actually give out the lot number. We assign the lot number. Again, not only is that piece of dirt not assigned to two people but that lot number is not assigned to two people. We've had that problem before and the reason why we had those problems before is when we would have a subdivision all the land agents can assign people there. Now if it's this subdivision only one land agent is assigned to put people in that subdivision. So that if there is any duplication it's that one land agent's fault but there shouldn't be any duplications. We don't have that problem anymore at least we don't have any so far but in the past we have had duplications and it creates some of those problems.

Acting Commissioner Matanane commented to make sure the maps are archived.

Administrative Director commented the second thing from the oversight hearing is we are following up on specific clients. There was Ms. Taitano, Mr. San Nicolas and Mr. San Agustin who made a complaint or raised some concerns so we are addressing those specifically. The commercial rules and regulations draft that is being reviewed by Senator Pangelinan and Senator Cruz, they've asked for copies of the draft. I believe there is

legislation being prepared by Speaker Won Pat concerning land registration. She is going to make it a law or require Land Management to do the land registration survey for Chamorro Land Trust properties. We do need to meet with other agencies, Land Management and Public Works to get together and follow up on P.L. 22-73 which is really to develop this land exchange inventory. Even here at the Land Trust we get two or three requests for land exchange but over at the legislature they've had something like ten now where people come in to do land exchanges. But the only agency that has really any land to land exchange at least around Guam is the Land Trust. The legislature told the Land Trust by law several years ago to get together with Land Management and DPW and give that list to the legislature and to the Governor so that they can close up (land exchanges). We haven't done that and we look to do that in the next month or so.

(5 minute break)

**Subdivision's Report**

(Maps displayed) Lot 7160, Yigo – Administrative Director commented in this particular lot we have approximately 130 lots. A portion was reserved for a commercial lot and I believe IT&E is renting an area as a cell phone site. The rest of the property is residential use. The Commission has given out lots in the area but they can't even get to it. Some of them have been surveyed but some maps will not get approved until the first map gets approved, it's sequential. Only about 30 out of 120 lots in that subdivision had been approved. The reason why is they are having problems with a particular line so Land Management will not approve the map on the end of the subdivision until the ones in the front gets approved first. If the person has a lot in the bottom section and are ready to build we will relocate them to a lot that has the infrastructure.

The Director showed the Commissioners a map of the area of the Ramon Torres issue in Yigo and the area where the Land Trust approved a commercial request for a car rental property which never paid or came about in their program. Also in Yigo is an area which consists of about 600 lots but the problem in this area is that the lots are quarter acre lots which are too small. There was a plan originally to put in sewer in the area but GovGuam never put it in. Originally this was the land for the landless subdivision.

Acting Commissioner Guerrero clarified if that area had already been subdivided because he noticed that there was a road there.

Administrative Director commented that it had already been subdivided there are some houses built on it but not as much as it could be. There are some substantial houses built and a couple of SBA houses. If you drive in you will see that some of the roads had been opened and paved, there are some water lines and some power lines but not complete on it. There is also a hundred foot right-of-way which extends all the way to the back gate which had not been opened or developed. Also not out in the public yet but the military is looking at opening a road from NCTAMS straight across to the back road.

Acting Commissioner Matanane inquired if there is any Land Trust property in between.

Administrative Director commented there are several large parcels going across maybe about 4 and some private property.

Acting Commissioner Matanane inquired if they are Land Trust property.

Administrative Director commented yes, there definitely is Land Trust property along the way through that road they are looking at proposing.

Administrative Director commented another subdivision developed in Yigo is by Simon Sanchez and F.B. Leon Guerrero school. About 3 weeks ago we held a meeting on a Saturday with the lessees on this area to let them know that Guam Housing Corporation has a program available for them to do residential houses on it. Some of the lots are of different sizes because previously leases were issued on these properties. There also used to be a land use permit of 4 acres in the area to a Mr. Aguon who was indeed farming all 4 acres.

Administrative Director displayed several maps depicting the following areas:

- In Yigo which is a commercial lot where we presently have IT&E in the area.
- In Dededo requested by the Farmer's Co-op group.
- In Yigo currently being used by the Guam Raceway Park consisting of approximately 252 acres.
- In Yigo, Lot 7163 containing an area of 1.6million square meters which is being requested by George Torres.
- In Dededo containing about 128 acres directly across the street from NCTAMS.
- In Barrigada Heights by Revenue & Tax which consists of a quarry and is right now under an EPA notice of violation because two of our tenants actually contaminated the place. We are meeting with EPA on July 8 to see what we can do to resolve the issue. There are also some restrictions on development in the area because of the flight line.
- In Chalan Pago which consists of 117 acres behind the Atoigue baseball field and next to the Asinan River. It is not a good lot for residential because of access and because of the hill but it is a lot that is in demand for agricultural use because of the soil and the potential that it might have for catfish and tilapia.
- In Mangilao by the old Kinneys restaurant in Mangilao we have created several subdivisions.

Acting Commissioner Matanane commented I was just reading some correspondence provided to us and someone is requesting for access in the back.

Administrative Director commented we haven't opened the road in there but we do have access. The one that you are looking at is in Umang, Agat.

- Near Latte Heights subdivision where the new school is being built and a newly created subdivision. What the Commission did to accommodate the families that were in the new school was create a subdivision across the street. We created about a 34 lot subdivision. In this area also is the Lihengta Subdivision which had already been

mapped out and assigned lot numbers. There are still some areas that have not been surveyed and issued leases. The entire lot was 252 acres and was given to the Commission specifically for residential use. There are some commercial and agricultural use in the area such as the Frank Jackson tortilla factory.

Acting Commissioner Matanane inquired on where is the area designated for a park.

Administrative Director informed the Commissioners that it is by the sharp curve coming from Latte Heights. The previous Commission had designated that as a park area because when they were clearing that area they found a bunch of hard rock and we think that it may be a quarry for latte stones. We have a site visit there next Tuesday at 2pm with Patrick Lujan and Vic April who wrote a book about latte stone quarries to make sure that there are no historical artifacts in that area before we designate it as a park.

- In Ija, Inarajan originally years ago Land Management surveyed 88 lots because there were some lots in the original Ija Land for the Landless subdivision that were undevelopable because they were hillside, wetlands or whatever. The deal was they needed 44 lots and they surveyed 88 so the other 44 goes to the Land Trust. We are ready to start distribution of it. We may probably still need to clear the roads and power and water may have to be extended in.

- In Ipan where we are looking at developing agricultural in the back and commercial in the front which is directly across the street from the Ypan public beach.

- In Talofofo is Lot 421 called Taki Beijo where we are subdividing into so far 33 lots.

- In Hagatna, we have Block 24 across from the Julaje Shopping center were we are consolidating some of the lots. In the corner there is a modular home and a two story historical house called the Lujan House. The Commission gave this to the Historic Preservation office and Land Management did a re-survey of the area because the house is actually straddling on two lots. So we are going to turn it into one lot and the modular home is going to be demolished. The other part of the lot is owned by G. Ricardo Salas which kind of like juts out into the nice shape so the Commission approved a land exchange for a portion so the line will be straight and in return exchanging equal number of square meters to G. Ricardo Salas. It will make Mr. Salas's lot bigger and he has agreed to the exchange. The Commission had previously approved it the maps are being finalized and the documents are being finalized. This is the home of the new Land Services Building. There are also lots in the area owned by Doug Moylan's family, the Cristobal family who had also agreed to a land exchange which is being handled by Land Management, Calvo's apartments, the Lujan house historic building, the modular home that is set for demolition and a three or two story building. The middle piece of the lot belongs to the Land Trust. Originally GHURA was going to build their office but the bill did not go through and Land Management was going to build the Land Services building so now basically the entire lot is available. This is the lot in Hagatna that we are looking at in building our new building. How far away is that? Ribbon cutting was supposed to be October of last year but Land Management missed the deadline so they are looking at October of this year to do it. They will be financing the construction of the building through the Land Survey

Revolving Fund which is the recording fees that we pay. The Commission's part in this is we own the land and we have office space in there.

Acting Chairman Pro-Tem Calvo commented I know the AG was also interested in that.

Administrative Director commented the AG is also interested in the other piece of that. The maximum that you can build there without going through the Land Use Commission is a 6-story building on each side. The maximum size of building there would be 144,000 square feet building which is a 6-story building. The bottom floor is parking and each floor is 24,000 square feet. There is no more government land vacant that big in Hagatna. So the government if they are going to build something in there they want to build maximum. If the Land Trust was to build something there we could get by with a one-story building but that would be wasting that availability of land.

The Administrative Director commented under the Unfinished Business that was the new building progress report because we are planning on building that in Hagatna. The ball is in Land Management's court because they are the ones taking the lead on that issue.

**Relocations and Evictions Report**

**a. All new school sites** - The Administrative Director commented that all of the families are out of the new school sites. Just for your information we had actually a total of about 45 families that were set for eviction and relocation. We actually only relocated about 23 families. In one situation up in Ukudo we moved the boundary line of the project and when we moved the boundary line of the project 200 feet it did not affect but it did not require us to evict I think about 21 families up in that area. We did have to demolish three concrete structures. One of them was a 6 member family who non-qualified, did not apply under the Land Trust and understood that he built that substantial concrete house without any permission from the land owner and therefore that was basically demolished. The one that you see in all these issues about the Adacao family being evicted and relocated, that was not the serious one. The serious one was up at Ukudo because this was a family of 6, it was a concrete house, no power, although the power pedestal was there waiting for somebody to give authorization but they had water. They had a catchment device. It was actually substantial and we have pictures but the guy understood that he built without permission and we had to bulldoze it. Another concrete structure that we bulldozed was this gentleman who got some FEMA money after a typhoon and built a concrete structure on it. We also demolished a third house in the Ukudo area. In the Astumbo area there was this 86 year old lady who was wheel chair bound and was living in this shack on government land. Her private property was right next door to her shack but what her plan was with her deceased husband was that they would build a shack on government land while they were building their permanent structure on their private property. The husband got sick, one thing led to another and she ended up staying on the government property for so many years. We relocated her into her private property without too much fuss but that one was very critical because she was handicapped and we had to have power to her because of her medication. She also understood the situation and didn't really bring a big stink on it but we did have to help her relocate. Up in Mangilao in Adacao we had to find a place for 60 pigs. We had to evict the gentleman and he had 60 pigs. Those were no complaints on there. Those were the evictions that we had in the new school sites.

**b. Tagachang, Yona** – The Administrative Director commented the eviction is still on-going. If you remember that, Ms. Eclavea, we haven't taken any legal action on that because it is unregistered property but the parties involved in it has agreed to move off the property. At least the Eclaveas are satisfied at this particular point in time but we just wish they could be relocated sooner than that. For the information of the other Commissioners this is a case where somebody went into government property and started saying go ahead and live over there but you have to pay $200 rent. So somebody was collecting rent and they were inviting people onto the government property and then now we have to come in and evict them but it is a little bit more complicated because the property is unregistered. We really don't have ownership papers on it so we are just trying to resolve the situation through a persuasion and so far we have been successful on that.

Acting Chairman Pro-Tem Calvo commented that now that we are in the eviction notice beside those things I know in the earlier part of the board we do have eviction notices for other people. How is that?

**c. Espiritu/Calara, Mangilao** - Administrative Director commented that is the two other items that I have here. One of them is the Tass/Espiritu/Calara family up in Mangilao. This was a situation where family A allowed family B to move in and then family A is coming to the Land Trust now asking the Land Trust to evict those people that they put in illegally. We are a little bit tight in our hands on that we certainly don't want to make anybody homeless if we can. In that particular one in the Espiritu/Tass/Calara eviction in Mangilao, the people being evicted Cherlyden Calara, they've surveyed a lot next to where there were at but they still need to build a home so that's a little slow on it. But the Espiritu and Tass family they want to rush it as much as possible. We are doing something and there is progress but not as fast as those other people want it.

**d. Santos/Lin, Dededo** – The Administrative Director commented the other one that is a serious eviction relocation issue especially now because they are represented by counsel is Angel and Amanda Santos who are actually occupying Chamorro Land Trust property in Dededo. They had some sort of permission from the Land Trust but I don't think that they had a written lease. The Santos family decided to let this lady Lourdes Lin and this Chinese guy Mr. Wang farm the property and now the Wang and the Chamorro lady Lourdes Lin do not want to abandon the property, do not want to leave the property. The actual situation was actually a private deal between Santos and Lin and now that Lin does not want to get off the property that Santos put them in, Santos is now asking the Land Trust if they can evict Lin. It's a little bit tougher to do it because when Santos had the property he really wasn't doing anything too much in terms of the agricultural sense. When Lin took the property over the whole place is developed into a very good productive farm. But they were put into the property by Santos who never should have done it in the first place and now Santos wants us to kick Lin out. He's telling the staff that Chamorro Land Trust you're supposed to not let non-Chamorros live on the property well you know that's Mr. Santos talking but with Mr. Santos also we found out that Mr. Santos let three Micronesian families live on the property to begin with. Sometimes when these people complain their hands are unclean too because like I said their the ones who put people in and then now that we are going around leasing these properties, they put the people in but then now they want us to come in there and evict the people. That requires a lot of resources. We have to go out there to find who has to be there, who is going to be there.

Acting Chairman Pro-Tem Calvo commented they're letting us do their dirty work. If the lease agreement was with the Chamorro Land Trust and whatever the cause of what Mr. Santos the nature of that for him to give that lease or sublease or whatever in that situation wouldn't it be on his terms that he would have to be the one. I know where you are coming in on this issue but doesn't that also calls for us to do a termination on his part?

Administrative Director commented in the first place I don't think Mr. Santos has a lease. Because certainly if he has a lease; subleasing it, he is breaking the terms of his lease. If he hasn't farmed it or developed it as an agricultural lot within 3 years after he got power and water to the place then he is breaking the terms of his lease. But Mr. Santos doesn't have a lease, he just went into the property and started using it and said hey do you want to come partners with me. We also have evidence in the file that Mr. Santos actually leased out the property to this Chinese fellow who is married to a Chamorro. We are trying to address it like I say but you know, Mr. Santos if you watched the dvd on the oversight hearing he made the complaint at the oversight hearing. Also at the oversight hearing there were other people of the public from the Chamorro Nation and they were saying that you know if these people were given the land and then now they are giving it to somebody else then that means they don't use it so it should be taken away from them. Which is kind of a reflection or reference to Angel and Amanda Santos. It's just something comes out publicly and in the media. We do know the situation and we handle it but it may come a time where the Administrative Director or the Commission may be tired of the issue not being resolved or provided some kind of closure that if they break the terms of the lease if they have or if they are using it with unauthorized use then at some point in time we might have to do some legal action. I'm letting the Commission know because when we do legal action we have some sort of liability to do it and it will also incur additional legal fees that may be outside of the scope of work or the contract that we have with counsel when we start getting into litigation issues.

## X. EXECUTIVE SESSION

The Administrative Director commented I do have some issues under the Executive Session, it does deal with personnel issues but I don't think it requires anybody being excused.

**1. Director's performance review** - The Administrative Director is due for a performance appraisal that is conducted by the Board. We'll set that up and do the necessary documents and briefing before you actually do that appraisal.

**2. Staff capability assessment** – The Administrative Director commented I touched on that issue about the commercial division and the maps division that if we don't do anything quick on it we are going to have a back log on those two divisions. Again, I want to let the Commissioners know that on the commercial licensing processing which relates to staff shortfall in that division out of the 19 new business items we had at the last meeting 18 of them go to the commercial section.

**3. Legal Matters** – The Administrative Director commented lastly, just to inform the Commissioners on three items relating to legal is number one that I have asked the legislature to amend the Land Trust law to make sure that we have specific authority to hire legal counsel because the AG's office on certain occasions is challenging some other agencies on hiring their own legal counsel. For example, the Guam Ancestral Lands Commission, they had been given notice by the Attorney General's office to cease and desist from having their own legal counsel because the Attorney General's Office had decided that they are the lawyer for the Ancestral Lands Commission. I'm of the opinion

that the Commission needs its own legal counsel aside from the AG's office so I have asked the legislature as recommended by the late Charles Troutman to make sure that the Commission has the specific authority to hire legal counsel. Secondly, as you know our legal counsel recused the firm from handling any work relative to the bull cart trail. I will be putting out what ever the process is to get conflicts counsel. Normally at least in the two previous occasions I believe that we had conflicts of interest by counsel for the Commission. I believe at one previous time I know that the AG's office stepped in on that time but I'm not recommending that. I recommend that we go out and get our own conflicts counsel. The third and final item is just to let the Commission know that any legal review work required for these commercial applications or even the non-profit or non-government applications, I will pass that charge along to that applicant. What I mean by passing it along is that they will not be billed directly by it but any legal review work that I give to our legal counsel their invoices are itemized and I can see by that billing to divert that billing to the counsel. So we give our legal counsel the work to review, they bill us, we pay them and then we recover the cost from the client ourselves not our counsel, they will have no relationship with that particular applicant.

Acting Chairman Pro-Tem Calvo commented we already talked about this last week on the legal counsel portion and maybe what we can do is when we get those reimbursements use that part of the money to buy whether it be a vehicle or something our department could use.

Acting Commissioner Tajalle inquired relative to the Bank of Guam account if they are monitoring and negotiating on a timely manner depending on the maturity, like you have one TDOA account that is negotiable.

Administrative Director commented yes, Bank of Guam it did go down recently the last time we rolled it over it did go down. We keep track of it; Mr. Diaz keeps track of it.

Acting Commissioner Tajalle inquired if they do call other competitors to see.

Administrative Director commented right, the other bank where we were getting the $20 interest was at another bank and we shopped around and Bank of Guam came up with the best deal that we have. Plus when we rolled it over they actually waived any penalties we might have and they released the interest to us. What we'll do for the next meeting is we'll provide a site report as to what the interests are with the other banks.

Acting Commissioner Tajalle commented and the term because I know these are by terms.

Acting Commissioner Matanane inquired if we needed to put the legal counsel fees that we will be charging back to the applicants in a motion.

Administrative Director commented no that is just an administrative thing unless you have any objections to it I will be charging them.

Acting Commissioner Matanane commented I thought maybe we should put it in a motion.

Administrative Director commented it's up to you to make it more formal. Right now it is the Director who is the one that raised it and I'm just taking the cue from the discussion during

the meeting that we do want to recover those costs. Especially when we get like from non-profit and the charge is $1 a year sometimes the legal cost to process that is $300 to $500. Why should we have to pay for that? If they didn't make the application we wouldn't have incurred that cost.

Acting Commissioner Matanane commented another thing that really bothered me at the last meeting on those non-profit; do you guys check with Rev and Tax if they are truly a legitimate non-profit organization?

Administrative Director commented that should be part of their application process, their charter papers. If they are a corporation they submit their articles of incorporation, if they are a partnership they do so and if they are non-profit.

Acting Commissioner Matanane commented maybe we should just call them.

Administrative Director commented yes and one of the papers at the last meeting that I saw it looked like it was done by an old typewriter. I could tell by the word processing on that document that it was quite old, that it wasn't done by a laser printer but rather by a regular typewriter. Certainly we'll do that. Again that would be the function by the commercial division to make sure that the papers they are presenting are up to date and valid. We'll make sure that is part of the package that not only to submit their charter papers but also that staff checks with Revenue and Tax to make sure that it is valid and that the listing of the board of directors are up to date. We'll make that note.

Acting Chairman Pro-Tem Calvo inquired on when is the next budget hearing.

Administrative Director commented he was not sure; right now they are still on DOE. Whenever they have the budget hearing DOE is usually the first one and then when they do the mark up hearings or mark down the second round of budget hearings it's usually DOE that is first again. The budget that we are discussing now would be effective October 1 and they normally like to pass it right after July.

## XI. ADJOURNMENT

The Administrative Director commented he is recommending that the next meeting be on the last Wednesday of July which is July 30. Again the meeting date and time is at the pleasure of the Commissioners and if you wish to change the date and time that is entirely within your purview.

Next meeting is tentatively scheduled for July 30 at 1pm.

Acting Commissioner Matanane moved to adjourn the meeting at 5:15pm. Commissioner Guerrero seconded the motion.