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Governor

Ray Tenorio
Lieutenant Governor

Commission Members

G. PikaFejeran
Chairwoman

Joseph I. Cruz
Vice Chairman

Amanda L.G. Santos
Commissioner

Pascual V.A. Sablan
Commissioner

(Vacant)
Commissioner

Michael J.B. Borja
Administrative Director

Rev. 2/27/2017

Chamorro Land Trust Commission

(Kumision Inangokkon Tano' Chamoru)

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COMMISSION MEETING MINUTES

Department of Land Management Conference Room
3rd Flr., ITC Buidling, Tamuning

Thursday, May 18, 2017, 2017; 1:01 p.m. – 3:45 p.m.

I. CALL TO ORDER

Meeting was called to order at 1:01 p.m. by Chairwoman Pika Fejeran.

II. ROLL CALL

Present were Chairwoman G. Pika Fejeran, Commissioner Amanda Santos, Vice Chairman Joseph I. Cruz, Commissioner Pascual V.A. Sablan, Administrative Director Michael Borja, Legal Counsel Nicolas Toft, and Chamorro Land Trust Commission Staff. All members present and there was a quorum.

Chairwoman Pika Fejeran: the first order of business is the approval of minutes from our last meeting of March 16, 2017.

III. APPROVAL OF MINUTES – March 16, 2017 Board Meeting

Chairwoman Pika Fejeran moved for the approval of Regular Meeting Minutes of March 16, 2017. The Public Notices were posted on the Guam Daily Post on May 11, 2017 and May 16, 2017. There were no questions or comments. Vice Chairman Joseph I. Cruz moved for the Minutes to be approved. Commissioner Amanda Santos second. There were no objections and the Minutes was approved subject to correction.

IV. PUBLIC COMMENTS

1. Frank Cabrera –

Chairwoman Pika Fejeran: Please step forward and state your name for the record.

Frank Cabrera: :My name is Frank Cabrera. I'm from the village of Piti and I'm here basically to request Chamorro Land Trust agricultural property. Madam Chairwoman, thank you for allowing me to speak. Anyway, I was here, I believe last year in, I guess in December because in 2011 I was approved by the then Chairman Monte Mafnas for agriculture property in Malojloj. He told me if I wanted it was 5 acres in Malojloj for agriculture and it was perfect for agriculture but he said in order for me to get it I have to

get it surveyed. So in good faith I went and look for a surveyor and the surveyor said I have to give him half of the money up front for him to begin surveying the property. I gave him \$1,500 ma'am. He surveyed the property and in the process of surveying the property he found out it was totally unsuitable for agriculture so I came back here basically to request for another site and up to this point I was told, "yea we'll look for another site for you" but up until this time nothing, not even a phone call I receive to say "hey we're following up we're checking on it for you". I would be happy if I got a phone call and say, "hey, we're working on it", nothing, silent. So actually I've been an applicant since 1995 when it was first announced but it was only in 2011 that it was actually authorized. I was given the paper to get it surveyed. So I'm back here again to plead with you if I can get that site papers with agricultural property because I came in good faith and I lost \$1,500, I didn't get reimburse, nothing, it's lost.

Chairwoman Pika Fejeran: Yes sir. I think I remember you the last time you were here so thank you for coming before us again, and do you have an agent that you've been working with?

Frank Cabrera: Well, I've worked with the land agent. I've worked with them, basically, but came 2-3 days after that (paused).

Commissioner Pascual Sablan: Can I ask you a question Mr. The only thing I remember in your concern is you had the property surveyed, without you inspecting, whether it's suitable for farming?

Frank Cabrera: I was told sir that it was, the administrative of the Chamorro Land Trust told me it was so suitable for farming so I put my faith in the administrator.

Commissioner Pascual Sablan: You mentioned it was far and you might fall asleep, it's a long drive?

Frank Cabrera: No that was the other property that was shown to me in the Inarajan which is much, much further so I took a drive down and Mr. (paused).

Commissioner Pascual Sablan: I was looking at this file and I came across a farmer from Dededo and I was very much impressed. You are not the first one that came before us about how (inaudible) rocks and all these things. Have you explore other ways of farming rather than just digging the ground?

Frank Cabrera: Sure, when you look at that property it's basically...it's like a coral, like on seaside, have you ever been to a beach where it's like cutting type coral, it cuts. So if you walk in there, trek in there it will cut you if you are not wearing a super combat boots. I tried, actually trying to find an area where I could to kind of like manipulate, you know, get soil and maybe plant something that I could...but I look at that it was sharp corals sir.

Administrative Director Michael Borja: Margarita, do you have any comments to make?

Margarita Borja (CLTC): I have a concern with Public Law 33-78 because Mr. Cabrera never executed a lease with us and it was just through a survey authorization, the acreage, are we still going to allow for Mr. Cabrera to engage into a lease for 5 acres? Anything over half an acre requires legislative approval.

Chairwoman Pika Fejeran: and the Public Law that reduced the acreage sizes after 2011 when he was given a survey authorization.

Margarita Borja (CLTC): So we've identified...and I thought one of the land agents have contacted him to see the property along the Nevermind Road so I guess they never proceeded so that's why he's still here. But then again it's that question again on whether or not we're going to...(paused).

Chairwoman Pika Fejeran: So the basics are there's no lease, there was only a survey authorization for the property where he spent the \$1,500 for the survey. Since then you've been shown several other properties that you declined?

Frank Cabrera: Two. The other one I didn't decline you guys didn't come back to me. This was in Dededo near White Market Store, I forgot the name of that store, but the agent never came back. I think it was under more survey because it was a big property which was survey but I guess you guys wanted to break down to smaller pieces and never came back to me after that.

Commissioner Pascual Sablan: What happened to the land he surveyed for you, was it given out to another person and we have to survey again?

Administrative Director Michael Borja: I don't think he completed the survey, the survey map was never completed.

Frank Cabrera: You know Mr. Castro, Frank Castro, was the one who did the survey and what I recalled from him was he was saying that he was about to complete the survey, what do I want and I said man it will be useless because its all rocky ground I can't farm. So I don't know whether he completed it or not, I don't know.

Vice Chairman Joseph Cruz: Can I ask the total acreage that you had surveyed, none of the area is suitable for farming?

Frank Cabrera: According to Mr. Castro, the surveyor that I hired.

Vice Chairman Joseph Cruz: But when they present it to you what were your assessment?

Frank Cabrera: It was really all rocks. He actually had me trek in (paused).

Vice Chairman Joseph Cruz: Was that before you hire Castro or after?

Frank Cabrera: when I hired Castro because I guess they cut through survey, clear the area to survey the lot because it's a big lot, it's more than 5 acres and I guess 5 acres is the only acreage (inaudible).

Vice Chairman Joseph Cruz: What I'm getting at is if you hired a surveyor and got an authorization and you refer the surveyor to this area you would at least see something that hey let's cancel the surveyor because the lot is not conducive to your needs. So I'm asking what have you reviewed when you hired the surveyor?

Frank Cabrera: It was basically all jungle so the surveyor have to cut through this jungle and so I just (interrupted).

Vice Chairman Joseph Cruz: (inaudible) with that type of assessment?

Frank Cabrera: Well, he asked for...well, the administrator told me (paused)

Vice Chairman Joseph Cruz: No, no the administrator gave you a direction to look into the (inaudible) but the direction was not for you to (inaudible) and get surveys, right, at least get an ideas of what you are paying for.

Frank Cabrera: Well, he actually got a general map of the area that was under, I guess, your (inaudible).

Vice Chairman Joseph Cruz: The mapping on the paper is fine but you went out there and took a look at the site. So are you still willing to go through this surveyor to pay the total survey cost when your (inaudible) is not (interrupted).

Frank Cabrera: Well you cannot really see because it's all jungle rough, you cannot see the soil, its jungle rough.

Chairwoman Pika Fejeran: Are you Mr. Cabrera's land agent?

Joffre A. Aguon (Land Agent): Actually I didn't start. I tried to finish it and my name is Joffre Aguon, I work for Chamorro Land Trust a Senior Land Agent. I took Mr. Cabrera out in Malojloj I see this actually approximate area I said if you have time on the weekend before you hire a surveyor please go into the jungle and take a look at it. He said no I think I'll just go ahead and hire a surveyor. We went out and checked the lot with...Mr. Castro said he cut the (inaudible) already, we walked a couple steps and he walked out and said nevermind it's too rocky. Okay, I told Margarita, or I think it was the Deputy that Mr. Cabrera don't want the property. I told him said he requested for Inarajan and I took him up to Inarajan and I was showing him the whole valley behind Victor Duenas he turned around and said no it's too far can we go down further like Piti. I said I don't think we have anything in Piti so I showed him in Agat, "it's still kind of far".

Frank Cabrera: No I didn't say that.

Joffre Aguon (Land Agent): He said you got anything on the North, I showed him the one that we were skimming out and its only 2 acres and I said this is all we have and he never came back to say anything.

Chairwoman Pika Fejeran: You know this is already 6 years in and if I can take up few steps back just to telling you what I see. I see Mr. Cabrera he's lost a substantial amount of money on land that you don't even have today but I also see that we have shown you several lots that you declined 2 or 3, am I right Mr. Aguon after the 1st?

Joffre Aguon (Land Agent): (counting) 1, 2, 3, 4. Four.

Chairwoman Pika Fejeran: Sir we have thousands of people waiting for lands and every time we take a land beneficiary out to see the land and they decline then we have to go back to the drawing board. We have it in law that we allow 3 declines of lands before we have to move on and go to the next person on the list. It sounds like we've gone beyond that and then there's an issue of the acreage although in 2011 you were promised 5 acres you were never issued the lease and since then the law has been changed to only allow half acre out, anything more than that has to have a legislative approval. So I understand your plea with us but it sounds like the Chamorro Land Trust is willing to work with you but at the same time you have to work with us and understand our constraints not only with manpower but also everyone else waiting in line behind you.

Frank Cabrera: Can I speak now?

Chairwoman Pika Fejeran: Yes, sir.

Frank Cabrera: I don't recall what Mr. Aguon...you know that I take a look, I remember him joking to me saying this property was good for hunting *ayuyu* that's what I remember but you guys did show me 4 lots. The lot in Agat basically was less than 5 acres plus I was told by my agent at the time that there were sink holes in the back side and then there was dumpage of construction materials in that area for agriculture in addition to the area which I really wanted on that site was actually slated for a Southern community athletic center like the Northern athletic field center so I said, wow, at least it was just the floor part and then a drop of that property in Agat, so I said no way man that's like trying to get the junk out trying to find a road with rocks (interrupted).

Joffre Aguon (Land Agent): I was just actually showing the general vicinity because if you keep walking backward toward the complex I'm looking at approximately 8-9 acres of flat land but I don't want to take him all the way back there. But you know we give him a choice of scooping around with what he needs that way we can entertain him on that situation. I cannot just tell him this is the lot where we standing because that's not how it works until he gets a surveyor and you'll tell the surveyor which part you want. Actually that place is not small, it's a 288 acres.

Frank Cabrera: I was told that that acreage was slated for someone else as well, a major portion I was told was slated for someone else so you know, let's move on to somewhere

else. So the next lot I was shown was the one in Dededo near the White Market store where he and another agent showed me that there was this big survey property of Chamorro Land Trust but I think I needed, me or you guys were going to get it surveyed to fit my 5 acres, but you never came back to me. The last acreage was less than 5 acres, I think it's even less than 3 acres which I believe was right behind the Rev and Tax up there but I was never shown it. But I believe I was told it was less than 3 acres.

Chairwoman Pika Fejeran: Do we need a comment from the commissioners?

Commissioner Amanda Santos: How many lands were shown to him if he planted for agriculture?

Chairwoman Pika Fejeran: Sounds like 4-5.

Frank Cabrera: Actually it was only 3 but 4 was verbally mentioned.

Commissioner Amanda Santos: In the first place the land agent should really know that the land is suitable for farming, just don't show the people those rocky places because that's wasting time.

Chairwoman Pika Fejeran: So where do we go from here?

Frank Cabrera: I don't know it's up to you, I...I...I feel, you know, I'm the one waiting.

Joffre Aguon (Land Agent): Mr. Cabrera we haven't forgotten about you, we're still working on the other area and we're trying to do a schematic within the area and we still have you in our mind. We're trying to do another schematic area within Stampa area it's about 20 acres that needs to be scheme out but our priority in that is trying to entertain him that but I cannot really show him that until we build a scheme because there's other people that are like you said are in line.

Administrative Director Michael Borja: Madam Chair, Mr. Cabrera, we will be working with you but you got to know that with the recent introduction of the new Public Law, it's not a bill it's a law it restricts the issuances of any further leases greater than half an acre and if you want something greater than half acre it will require legislative approval by public law and so the issue of getting 5 acres now if you had a lease already and you wanted to swap it we're bound to that lease but we don't have one and if you want 5 acres you're going to have good argument to go before the legislature to have the bill submitted to allow to authorize with that but we cannot issue anything greater than half an acre at this time for any kind of leases even though we had begun working with you on this. Now if you had completed that survey and we got the survey we would than whatever it was you were going to get we would be obligated to do the survey for you because that area had gotten surveyed so the person did the survey map on it already we're not going to ask you to do another one but we... our hands are bound by the law and I got to let you know too that it is scrutinized by the legislature, it is scrutinized by the public auditor, and it was an item they specifically looked at in our audit report which had just been completed so I just tell you for

us to step out of bounds like that we would really risking a whole lot of issues in being none compliance with the law that specifies that. It's not impossible to do it but you have to have a law created just to be allowed to do it.

Commissioner Amanda Santos: So the survey money was never refunded to him?

Administrative Director Michael Borja: Well, he engaged the services but the map was never completed so we don't have a recorded map of that area that if it was we would go and do another one for him. To some extent we may help you out on that respect to but we didn't get anything out of it with the map being completed. I want to help you out Mr. Cabrera but in this meeting I think, you know, we need to still work with the land agents on this.

Frank Cabrera: You know I put my faith in you guys, it's been 6 years from 2011 now it's now 2017 I still have got nothing. You know I could have been dead last year or the year before that (interrupted).

Administrative Director Michael Borja: We have been doing our due diligence to help you in the past showing you some other lands trying to understand where it was that you wanted to was go so please allow us the opportunity to try it again. Okay.

Frank Cabrera: Okay, so how soon would I, I mean (interrupted).

Administrative Director Michael Borja: Well go ahead and make an appointment with them today before you leave. And we'll see what we can do, but like I said half an acre we probably can place you someplace but you know the difficulty is when lease comes up for me to sign and it's there's no justification as to why it's above half an acre. It might inch a little bit of more than half an acre here and there just because the way the land is laid out and the schematics that have to be drawn but if I see things that are greater than half acre there's got to be absolute justification why that was and again there really been any without justification like because they already have existing leases and the land is not usable and they wanted to trade or something like that.

Frank Cabrera: I understand what you are saying that the law came and was put in effect where it's only half acre now, but mine was before that law.

Administrative Director Michael Borja: But we have nothing that binds you to that like now I'd like to try to figure a way to make me help you out on this but even 5 acres...it's difficult to do anything with that size anymore. Unless you want to do it as a commercial. That considers a commercial agricultural lease not a (interrupted).

Frank Cabrera: Actually I created it before you guys...it was authorized back then in 2011 you did have requirements saying you needed a farm plan which I provided before it was even authorized and I did that.

Administrative Director Michael Borja: But laws changed on us and we had to stick with those. That's the unfortunate part. If we had concluded a lease at that point we would have been done but when it wasn't so we have nothing that we can go back under. We have to work with whatever those current laws are.

Frank Cabrera: So you're saying now I have to go to the legislature and ask them to change that law.

Administrative Director Michael Borja: No, one specifically for you.

Chairwoman Pika Fejeran: To allow you to have the 5 acre.

Frank Cabrera: Can I ask the senator in charge of the (paused).

Administrative Director Michael Borja: Well, Senator Tom Ada is the Chairman of the Land Committee but you can ask any senator to do it but this specific language in the law states that anything greater than half acre will require legislature approval so that means you have to go...a bill has to be introduced saying that Mr. Frank Cabrera is hereby authorized for 5 acre land for land designated by early staff of Chamorro Land Trust Commission. But there are 2 versions of the agricultural leases: subsistence which is anything up to a half an acre, and then anything greater than that is labeled as commercial so it's a possibility you can have, not a dollar a year, per year, but perhaps some kind of other lease based on the size of the land.

Chairwoman Pika Fejeran: Sir, I'm sorry our hands are tied but we want to work with you as well as everyone else waiting for land so please work with your land agent and understand where they are coming from and they do their best to get you what you are looking for.

Frank Cabrera: Okay, thank you.

Chairwoman Pika Fejeran: Is there anyone else for public comment today? (paused)
Please sit forward, state your name for the record.

2. Edward Cruz: My name is Edward Taitingfong Cruz and I'm from Barrigada this is my first time to apply for agriculture land lease.

Audrey: and I'm his daughter Audrey (inaudible). Sorry just for the record.

Chairwoman Pika Fejeran: How can we help you Mr. Taitingfong Cruz.

Edward Cruz: (inaudible) that's for our own use because a...I used to raise pig at our housing in Barrigada and somebody made a complaint. They called Public Health so Public Health came to my house and tell me this and that, you got to take your stuffs out (inaudible). Where can I go now, I like to raise pig that's my tradition from Chamorro and

things like that and I like to plant and I got a small place and got neighbors all over the place. I'm just asking you if I can get a lease or something.

Chairwoman Pika Fejeran: You turned in your application already?

Edward Cruz: Yes, we're working with Mr. John.

John Gumataotao (Land Agent): My name is John Gumataotao I'm a land agent with Chamorro Land Trust. I've been helping Mr. Cruz with regards to trying to locate an agriculture lot to meet his application. However, the lot we identified is in Mataguac, it's subject to scheme because it's one acre and I guess if you are listening to the earlier testimony. The thing is he would have to go through the legislature to get approval for additional acreage. So I think we have to just try and work with what we have in Mataguac which is an acre, but the way we're trying to accommodate all applicants who qualify and if we scheme out this lot from an acre to half an acre and he's requesting additional acre to farm he may lose out on the half acre.

Chairwoman Pika Fejeran: I think we we've done in the past with this case where someone was going to get a lease for the half acre lot there was another portion behind it or adjacent we agreed to reserve it, hold it in reserve for 12 to 18 months and then as you're developing your half acre by the time the 12 to 18 months is up then we would see the work you're doing and then recommend that you go to the legislature and show them that you are doing what you are doing on your half acre and if they approve you for the full acre you can do even more. So that's what we've done in the past and that might work.

Edward Cruz: That'll work.

Administrative Director Michael Borja: John, what's the application date?

John Gumataotao (Land Agent): It's 1995.

Vice Chairman Joseph Cruz: Is there a perspective applicant on the other hand?

John Gumataotao (Land Agent): No, it's just when we find available lot, like in this case we found an acre that's available to lease to two people of we cut it up. So because it was shown that lot, you know, we informed him that we have to reduce it to half acre and if he needed more he would have to get legislative approval. But I guess in the process of giving him that half acre and we turn around and we lease the other half acre to somebody else his potential to increase is not there anymore.

Vice Chairman Joseph Cruz: But we haven't issued anyone yet, the other half acre?

John Gumataotao (Land Agent): No.

Chairwoman Pika Fejeran: Is this an isolated one acre in that area, there's no other Chamorro Land Trust around it?

John Gumataotao (Land Agent): It's already leased out to other people.

Administrative Director Michael Borja: But what if the other surrounding lots are...are they agriculture or residential?

John Gumataotao (Land Agent): It's actually a mixed use because there are some that are half agricultural leases but are, you know, have residential.

Administrative Director Michael Borja: So we're looking to put a pig farm in the mist of residential homes?

John Gumataotao (Land Agent): We haven't been inside into the lot to actually gather whether or not it suitable for tending or farming or if it's suitable for ranching but if he's leaning towards ranching that we have to identify another lot elsewhere where the surrounding property is ranching. But in this general area it's a mix use there's farms, there's residential homes.

Chairwoman Pika Fejeran: We don't want to put in on a property that where he comes up against the same issue he's had in Barrigada where the neighbors' complaint and public health is called so.

Andrea: And I know for a fact he doesn't want to get into piggery.

Chairwoman Pika Fejeran: Okay, then that's easier to place than.

Edward Cruz: It's not like I'm going to raise for business or something like that it's just for family use.

Administrative Director Michael Borja: We'll continue to work with John Gumataotao and John we'll see what we can sort out. The issue is if you want to continue to do a piggery we got to be careful on where we put you because we don't want to get into the same issues where we have neighbors complaining and we got to watch for that kind for stuff.

Edward Cruz: Thank you, *Si yuu ma'ase*.

Chairwoman Pika Fejeran: Is there anyone else for public comment?

V. OLD BUSINESS

Chairwoman Pika Fejeran: Our next items on the agenda is old business we have 7 items. I believe Director these were put on just for status update. First one is the \$350,000 for survey.

Administrative Director Michael Borja: The bill was introduced for survey for properties \$350,000 for 3 year period and it's stuck and hasn't been heard...it hasn't had a public hearing yet. The legislature budget people say that the money is not there I guess the way they play with the money is that the FY2018 budget has been submitted they freeze everything to dedicate to that. What we're looking at here is the use of GTA money but that wouldn't be Operation Fund but we're hoping to do is put that money comes January 2018 goes into the Infrastructure Fund which is not part of the operations and that's for follow up years but we're waiting for Guam Waterworks to pay a portion of \$400,000 for the purchase of those properties that they recently acquired through legislation from the Chamorro Land Trust and then that would go to the Infrastructure Fund and that would begin funding. So once that's in place (interrupted).

Chairwoman Pika Fejeran: So that would let the legislature see that all the money is there and that they would (inaudible).

Administrative Director Michael Borja: Yea so I'm just kind of waiting for that money from the Guam Waterworks to be placed in (inaudible).

Chairwoman Pika Fejeran: I know that the bill has to be heard before the end of this year's session, we have time?

Administrative Director Michael Borja: No, they have a year and half but I rather it be heard sooner rather than at the end.

Vice Chairman Joseph Cruz: What is the projected total fund with the Waterworks with GTA or?

Administrative Director Michael Borja: Well, GTA when they paid in January we will put it into the Infrastructure Fund and then it could pay for the next 2 years but the Waterworks will pay for (inaudible).

Vice Chairman Joseph Cruz: So what's the time frame between the two funding?

Administrative Director Michael Borja: Well if we get that money from the Waterworks we'll put it in the fund right now then we got the need for the bill.

Chairwoman Pika Fejeran: Is that GTA, Waterworks, I know this was past due?

Administrative Director Michael Borja: I thought it was around the corner but yea it's just finishing off some of the deeds, I think we'll just get the wordings completed and (inaudible) and that's pretty much it

Vice Chairman Joseph Cruz: Would it be safe to say that we have \$700,000 (inaudible) for GTA and Waterworks?

Administrative Director Michael Borja: Well GTA will be...they are like \$380,000 a year so that's above what we need per year and then it will go up in a couple of years to \$400,000 per year for 5 years and they will continue (inaudible).

Vice Chairman Joseph Cruz: That's just GTA?

Administrative Director Michael Borja: That's just GTA.

Commissioner Pascual Sablan: You said that goes to Operational?

Administrative Director Michael Borja: That's where it went this year, they paid in January and it got deposited into the Operational Fund.

Commissioner Pascual Sablan: How much the Guam Waterworks (inaudible) in Talofof, only \$200,000?

Administrative Director Michael Borja: No, no Talofof is GPA. The three properties for Guam Waterworks was Santa Rita, Upper Tumon and Astumbo. Astumbo is still in the works because it has to go to the land registration so the appraisals and everything have been completed and the amount has been agreed upon to the fair market value for the Santa Rita and Upper Tumon and the grand total for all of it comes up to just \$500,000. I think the Astumbo comes out to around a \$100,000 grand so that's the part that's we're not going to get yet. So the \$400,000 will be ready to be paid as soon as we complete the deeds. But the deeds have been bouncing back and forth due to the language. Now for Talofof that's GPA – that's still work in progress again that's due to land registration so they are doing all that.

Chairwoman Pika Fejeran: That would be the old business no. 3 GWA/GPA payments?

Administrative Director Michael Borja: Right, we can't do the appraisal yet, we can almost get the appraisal done but you know the decapping is depleted until the land registration and the survey map and land registration so we will be working with them. In fact, we have a meeting next week with the Guam Waterworks to discuss the Astumbo land registration process because we're going to assist them with that.

Chairwoman Pika Fejeran: The UOG Fidian Hatchery?

Administrative Director Michael Borja: The bill is actually going to be heard next week and then again that's the payment.

Chairwoman Pika Fejeran: and we haven't negotiated on the terms, right?

Administrative Director Michael Borja: Once the bill is done then they have to go out and finish off the survey. They have already done the preliminary of finding the area and they just have to...ones this bill goes that would give them the authorization to negotiate

the appraisal to make the determination on how much it's going to be and we'll have a discussion to talk with them to lay out the details on how the appraisals are done.

Chairwoman Pika Fejeran: We'll skip number 3 as we already covered GWA/GPA payments. Number 4 MOU's – GEDA I know we saw a draft.

Administrative Director Michael Borja: Right, we haven't concluded it with them. What their board had recently agreed upon was on the MOU that we're going to do that they did with the DISID and GRTA and Chamorro Land Trust only because we have a small portion of that big plat of land. They agreed that the terms will be 14.3% for the first 5 years and then it drops all the way down to a, I can't recall what it was, a small single digit, and in that case Chamorro Land Trust will get its portion based on the percentage of this land. They were in agreement with that so I think it's going to be useful for us to go into that same type of agreement where, again, for them to do RFPs, and for them to recoup their cost of any potential appeals that may occur. We still have one pending appeal which is actually in courts and that has to do with Urunao so they had to pay for their legal cost for that kind of stuff. They are making the money out of it so it's all out of their own pocket that's the kind of dilemma they get put into because they have great expenses with no opportunity to recoup their cost. On PBS Terms of Agreement will be table for next time. Hatdin Amot Chamoru, they haven't come forward with anything yet, they do have a Right of Entry as a cultural center.

Vice Chairman Joseph Cruz: The Right of Entry together with the reservation on one document and the verbage of using the users and the previous resolution after 10, indicate (paused).

Administrative Director Michael Borja: We'll deal with it offline and then we'll (interrupted).

Vice Chairman Joseph Cruz: The users, the title user is that they are bring in the agreement, why don't we use it as a grantor or grantee on the right of entry and then on the reservation for the agreement Chamorro Land Trust as the land owner and the applicant, client should be the applicant on the reservation.

Administrative Director Michael Borja: So you want two separate documents.

Vice Chairman Joseph Cruz: Yes. On the reservation you mentioned that it's for a year or until the lease is executed so we want to make sure that we have that consistent date instead of "until the lease is approved".

Chairwoman Pika Fejeran: Sorry, for the Hatdin Amot Chamoru. They issued the Right of Entry to the Hatda Foundation to look at the land and the next step would be to develop the rules and regulations with them?

Administrative Director Michael Borja: Right, but they haven't initiated any action yet to help us work on that.

Chairwoman Pika Fejeran: Well, I think maybe we would initiate with them to let them know we are ready to move forward.

Margarita Borja (CLTC): Well basically I think what they need to do is they wanted to do an assessment on the area so they can come back and kind of tell us hey this is what it is. That's why they needed the Right of Entry. So I know they have been in contact with Survey Division, they've asked them to come up and show them the points and all this and so they kind of know where it is that they're going to (interrupted).

Administrative Director Michael Borja: That's what Hatda Foundation does not have the exclusivity to using the land. So that's what we have to try and establishes how is this going to work because there's really nothing there so we have to get these rules done but it's not a simple process either.

Chairwoman Pika Fejeran: Okay, no. 7 is Strategic Plan – progress report. We've been talking about focusing efforts to the subdivision master plans already and I know you guys have been working hard to issue out leases. How many (inaudible)?

Margarita Borja (CLTC): About a 100.

Administrative Director Michael Borja: I'll say about 80 early this morning but it's greater than that and in fact there's many, many more that are just addendum to fix the existing ones and their problems where they describe as "a portions of" but they are now part of the scheme, part of the schematic plan so now we can assign a lot number and a lot size all still subject to survey but you know those master plans are going to be the basis of doing this global type of survey that we are hoping to do, this comprehensive survey where the surveyors can actually take that master plan and use that to determine how they do their surveys rather than guessing for us where this lots are going to be we've told them where we want the lots and what those numbers should be.

Chairwoman Pika Fejeran: So those are like the 80-100 new leases issued out for property? That's fantastic.

Margarita Borja (CLTC): We are going a lot of mail outs because a lot of the contacts that we have were in '95 so (paused).

Chairwoman Pika Fejeran: And I'm sure they get kicked right back to you.

Margarita Borja (CLTC): Yea some of them do I haven't seen much get returned but then they'll call and come in but a lot of them seems like it doesn't get returned but I don't know they just not (interrupted).

Administrative Director Michael Borja: We get a few that hear about it so they come in but I think you might have mentioned before and it's been mentioned to us that the possibility of doing something in the newspaper but I really don't have that kind of budget to

do full page ads so I think what we're trying to do is create a listing that will be online and tell people to go to that website that we're trying to get in touch with them or for those people that need to get a hold of us immediately and then just continue to try to get out reach out there to get these people to come in. We don't know where they are. I can give it to all the mayors too and see if they know any of these people to come on in but you get a person who has a common name like (paused) and then suddenly I get 50 of them coming in. As far as the Land for the Landless that bill also hasn't seen the light of day and I'm kind of concerned it's holding back the transfer of some lands we could also issue out so they are ready to go they are prime. Whoever get those lands will be lucky.

Chairwoman Pika Fejeran: So you know speaking on the roadblocks we face we have this long list of people that have applied and we're ready to give out lands but we just can't get a hold of them. I think it would be great if we do publish a list online but I know a lot of people don't have access readily to the website so maybe we can instead of just publishing it there and spending a lot of money in the newspaper or that publication. What about doing radio ad that directs them to the website?

Administrative Director Michael Borja: Well, what we can do is we can put out a press release and have it announced and then we can send that listing to all the mayors offices and to contact the nearest mayor and we'll put them in different places around our offices and then the mayor's offices can share with them. But if I can get just a tiny ad that's affordable rather than a full page and it just tells people but if we do a press release and say Chamorro Land Trust put out a new list...and we'll try to get those out because they are in groups of 100 and then once we exhausted the contacting them we go with another group. But we are mailing out but what I've seen thought is sometimes...I've seen some letter that have gotten returned from things that we sent out from a year and half ago so I don't know where it sits...or sits in the dead mailbox.

Chairwoman Pika Fejeran: You know we have a Chamorro radio stations that we listen to, that might be a good avenue but I like the ideas of a small press release and then sending the list out to mayors in the press release to go check your mayor.

Administrative Director Michael Borja: When we send out our email notices for these meetings for example they go to all the media, all the senators, all the mayors. We'll do one of those kind of emails too with the listing and they might even put the listing on their links.

Chairwoman Pika Fejeran: And of course if we're on to the next hundred and someone from the previous hundreds ever comes in (paused).

Margarita Borja (CLTC): We will service them.

Chairwoman Pika Fejeran: Okay, I think that's it all our Old Business items.

Joseph Borja (Senator Ada's Office): (inaudible) However, there were kind of like some kind of comments here and some parts in the old business part which I might be able to

give you guys an updated information on this particular issue. I couldn't help from the separate issue from the old business. I couldn't help but listen to the Chamorro Land Trust applicants that came here and believe me I've been in that seat, not the chairman seat but Mike's seat there. So I sympathized for the request that they are making and maybe because of my older age and my grey hair I might allowed more to be a little bit cynical. We got Mr. Cabrera right here, who I understand, I believe was given a choice of approximately three lots I think and Mr. Cabrera wants 5 acres something like that. You know I was a former director on this side of the table my first question is you know what 5 acres looks like? How many bush cutters do you have to even attempt to clear 5 acres? You know, I sympathized with people that want land like that but I know Mr. Cabrera personally and I'm sorry that he left but it's you know, 5 acres is...what's the plan? How many machetes you got to clear? I sympathize with the committee and with Mike, the director, on that. But those on the flip side of that (paused due to ITC alarm system sound). So it's kind of what's the plan and the reason why I can ask that for cases like Mr. Cabrera because when the commission first opened up they were pretty lenient...20 acres, 5 acres, 15 acres like that and people had this grand idea of getting it for agricultural business but as time went on the commission, commissioned UOG to go out and see okay, you have 5 acres we're going to come out see what you're doing, we're going to come and see what you're doing with 10 acre and the results that came back I don't think they were surprising, I don't think they were startling when they were certainly on the bad news side. People were taking 10 acres and even subleasing them much less abusing them. So you know, like I said (inaudible) I sympathized with the commission on that. On this one-half acre, one acre, five acre, three acres, two and half and like that, you know, why did they lower it down to a half acre, why not one-third of an acre, or why not three quarters of an acre, the answer to that is the Department of Agriculture said subsistence farming you can do it on half acre. That's not the decision by the commission per se, Department of Agriculture came out and said, you got enough for subsistence farming to feed your family, now if you want to get up into a one acre range and two acre range, how much are you going to plant, you must be planting, and planting a lot, that turns into a commercial operation and that's when the commissioners' come back and say, you want five acres, show me the plan, and then you're going to plant the five acres of corn, what you going to do with it? To feed your family, not a corn maybe a barter but still every bordering in a commercial operation when you get that big, you want a commercial operation, show me that you got the bush cutters, the machetes, the lawnmowers, the diggers and like that to do it. You got to have a plan, like I said...sitting on this table it's easy for me to say but I can understand from that side of the table. Like I said, how many square meters an acre is, how much five acres is what twenty thousand square meters. That's a lot, you know. What does a house lot look like inside a tract with sewer? About a quarter acre. A half-acre, that's a nice lot with a nice yard in, you're not going to find a one acre partial in a residential area and you know like that other than maybe Pago Bay Estate probably down in that area but...anyway, up to the next one.

•**\$350,000 for a survey.** We've been working with the director on that and he's right we called up the legislative budget office and we're told says, well that's kind of budgeted already and I always get this thing about green money and white money. White money is the legislatures says they appropriate a million dollars and green money is somebody went

down privately and paid in a dollar bill or check or something like that's money can spend and I certainly think the commission should have green money. Not a white check but green money. So we're trying to look for \$350,000 I don't say it's missing as Mike said maybe how they do the accounting or it's entered into the books but the actual cash is somewhere else. And the staff here will remember at least the older staff there were occasions when I was a director I will check the balance in the account and it's "0". And then a couple of days later, oh, overtime got paid for this and like that. Then next week, oh there's a balance there now. Cash management, that's how sudden the legislature spare you.

•**The UOG Fidian Hatchery**, We had process that, we had a public hearing, I think was February. How come it's moving so slow? The reason for that is we submitted a Committee Report to the Committee and Rules, the Committee and Rules came back and said we need an appraisal. And we are trying to fight this issue of the appraisal timing because we don't think that it's fair to get an appraisal and then see the legislature can give approval. What if the legislature doesn't get approval? Appraisal money is paid for already, somebody lost \$1,200 or I don't know what the appraisal cost, but I think that's the minimum. So we're trying to cut the time that where do you want the appraisal? What the bill does, it says Chamorro Land Trust, UOG, and you guys get together and decide what it is. You need to get the appraisal, get an appraisal, but you already authorized to make a negotiation. Obviously, if the commission or UOG doesn't think the amount is right, don't sign it. This is the commission's land, I don't think anybody is going to force you to say, you have to sell it for \$10, no, it's whatever you guys agree is a reasonable appraisal with UOG then go for it. And maybe we're a little bit sarcastic, how about if I mow your lawn, cut a little bit. That's entirely up to the commission, that's what the bill allows. But the reason why it was moving so slowly is under the law and under the standing rules you have to get 2 appraisals. One should not be more than a year old. But it's just kind of like unfair to say, do the appraisal and then maybe it will do the deal, somebody's going to do something about that. So that's where that's at. But having said that, Senator got it on the agenda for next Monday's session. There were 10 bills up eligible for placement on the session agenda and 6 of them are from our office and one of them is that bill. So we are moving forward on it. Senator is going to use this argument that I'm using right now in the appraisal. The legislature is not the one that's going to decide if it's a fair deal. It's going to be you guys. So why do we have to install that appraisal thing during the legislative process? You know, you got the land agents' here, Mike and staff to review say good deal, bad deal, whatever. But it's part of that appraisal kick back because there is something in the law that requires appraisal. It is up in the agenda for next session beginning Monday the 22nd.

•**PBS – Public service archive records**. Just want to let you know that years ago PBS worked with Chamorro Land Trust to actually have either a recorded meeting or a meeting online call in to the TV Station, it was like a live show, and PBS (inaudible) people would call in and say I got this question, I like that, I might consider that. But more important on this PBS agreement and I'm assuming this is about that radio communications tower in Barrigada Heights. I've been a board member of PBS years ago. PBS got a real sweethearts deal on the land. I don't think there's any cash involved in that deal. Where

the money is on this deal is rental on the antennae power for a cell phone companies or other things to it. Okay you give PBS a good deal, you know, (inaudible) you don't charge them a lot but in return if PBS is going to rent out antennae space on that, it's a money for that agreement. That's where it comes in, and as Mike know we've working with them on a cell power bill. Cell power space is on a premium. Probably, I don't know how many are coming to the Land Use Commission but it's a good deal with PBS and like I said I've been a board member of PBS but you know there's revenue generation somewhere in that process that you just have to figure out. That's basically it.

•**One last thing is the Bill 26.** This is the deadline for the Land for the Landless program and like that deadlines and processes and getting people to come in and pay their \$25,000 purchase of the \$300,000 lot overlooking Cocos Island. That's been tried like maybe 3-4 times before as late back as 2006. One of your staff members now here up in the upper management was a summer trainee at Land Management did that first audit, prepared a binder and say hey there's \$600,000 waiting to be collected, this people are not paying their 10 year contract. Ten year contract at \$250 a year collecting aluminum cans I can pay that \$250 for that one year. But for whatever reason people doesn't really complete those programs. As recent as Mike's thing in the newspaper, I don't know, I think he got a 10% return on it. So this is what this bill's in response but just three steps on this bill as far as the legislature is concerned, the sponsor Senator Telena Nelson, wanted the public hearing in Inarajan where I think Mike attended one already. I don't know if it's a public hearing, I think it's like an informational briefing, Mike, a village meeting or something. And then from that village meeting about Bill 26. But the sponsor Senator Telena Nelson wanted the official public hearing on the bill down in Inarajan. We've had our logistics and (inaudible) moving into the new building there and in that very part of the year when Senator Nelson introduced a bill the legislature staff just didn't have the logistics capability of holding a public hearing down there. Public hearing is now recorded, transcribe, commit a report, you know, set up the recording things , it's a little bit more complicated than just driving down to Inarajan. That's was no. 1. No. 2, when we finally decided and found an open date to be able to date to be able to be able to hold a public hearing which I believe was in March, the one before this other one, unfortunately, Senator Nelson was off-island for military training. So this brings us to the now set date for the public hearing for Bill 26 which is May 30. The ad for that public hearing should be coming out in tomorrow's newspaper which kicks off of the 5-day ad.

•And then lastly as a **point of information**, Chairwoman, yesterday, we wanted to put your confirmation hearing on the 30th, unfortunately we had a scheduling problem on that we will schedule your confirmation hearing as soon as possible after June 2nd. That's it, thank you very much.

Chairwoman Pika Fejeran: Thank you for that. I appreciate you coming.

Administrative Director Michael Borja: Joe, can you just remind us on the Commissioner Santos, her period is expired. What is the amount of time she can continue to serve?

Joseph Borja: In the law, their term expires, you have 90 days plus 3 legislative days. Now it's important to remember those legislative days because legislative days usually turn in to one month. A legislative day that's the session from the time they call to order to the time they adjourn and that's usually a one week period. That's a legislative day. And we have one of those every month. Session is usually the third week of every month. So theoretically like for Ms. Fejeran, I think your term expires in April, I know you can serve up to October but we're going to try and get the hearings along with Ms. Amanda. As long as you get the nomination packets down there we can go ahead and schedule it. The only time limitation is if going to be more than 5 days from today because of the notice factor but usually we should be able to get the public hearing schedule within 1-2 weeks. And you certainly you do have one vacancy and it doesn't have to have the full one. And while I'm talking about that Mike, you can go ahead and designate somebody in your staff and the committee will work together with you concerning the other commissions, not just the Chamorro Land Trust who got their expiration dates.

Commissioner Amanda Santos: What is the limit for this, for the board meeting? What is the limit for the board members?

Administrative Director Michael Borja: I think its four years term right? The term of their services.

Joseph Borja: For which one, I have to check to see if it's staggered.

Administrative Director Michael Borja: We are on staggered so if someone steps in on the 5th one he could only...just like you did I think you have 1 or 2 years left on that term. But for 4 years.

Joseph Borja: Thank you so much for your time. I apologize for the break in (inaudible).

VI. NEW BUSINESS

1. Guam Rugby Club

Chairwoman Pika Fejeran: The first item under the new business Guam Rugby Club, I understand that the director and the staff is working with Guam Rugby Club so we'll table that until the next meeting when more can be shared. So on to the next one, new business number 2, Loan Guaranty for Natasha Cruz.

Commissioner Pascual Sablan: We have to make a motion. I make a motion that we table Guam Rugby Club until the next meeting because the director is going to work with them to discuss all those July 16, 2016 that they rebuild from the previous land license/lease agreement.

Commissioner Amanda Santos: I second.

Chairwoman Pika Fejeran: A motion has been made to table item no. 1, seconded by Tan Amanda. Discussion? Those in favor say aye.

All: Aye.

2. Loan Guaranty - Natasha Cruz

Chairwoman Pika Fejeran: Thank you sir correcting us. Okay, Hafa Adai, please state your name.

Natasha Cruz: My name is Natasha Cruz.

John Gumataotao (Land Agent): I'm John Gumataotao for the Chamorro Land Trust. I see Ms. Cruz's land agent and we're here to ask the board to consider the loan guarantee. Back in August 2016 she came before the board then (interrupted).

Natasha Cruz: Actually it was my daughter. My daughter came before the board to request to get the lease transferred into my name from my auntie and the board did approve that so from that lease being transferred I went ahead and requested with Guam Housing Corporation to go ahead and assist me in building.

John Gumataotao (Land Agent): So she was pre-approved for a \$129,000. This is back in January of this year so you know we are hoping to meet last month's meeting however, it was cancelled and up until last month she was guaranteed a pre-approval for Guam Housing for \$129,000 so now she's seeking the board's permission to guarantee that loan.

Natasha Cruz: If I may correct that. I was actually pre-approved in January and I got the final approval in March 29.

Chairwoman Pika Fejeran: It looks like we have your report here. And John have you gone through this and saw there's some issues with the correct property description?

John Gumataotao (Land Agent): Yes, those were just typographical errors on her land waiver, outside of the department.

Chairwoman Pika Fejeran: I see that you have citrus trees in the area?

Natasha Cruz: There was. It was actually a one acre agricultural but when my aunt transferred the property from my grandmother into her name she was able to take the one acre and split it in half to make it a one acre (inaudible).

Chairwoman Pika Fejeran: So it's half acre agricultural?

John Gumataotao (Land Agent): Her lease is a half-acre residential?

Chairwoman Pika Fejeran: and who has the other?

Natasha Cruz: The other was given to my other sister and she transferred it to my brother because she doesn't have any children.

Chairwoman Pika Fejeran: Any comments, discussion commissioners?

Commissioner Pascual Sablan: You notice I didn't break a contract between you and (inaudible) you are fully aware of the labor shortage, they don't have workers and this can take forever to finish your house. You have a penalty of deadline?

Natasha Cruz: I do have a deadline set by the Guam Housing Corporation. I constantly contact my contractor to see where we're at and as of right now, actually Monday when I spoke to my contractor it's the application itself for the building permit is enroute into the different department and so it's at Guam EPA so I have requested already one extension letter and then by the end of the month right before it expires I am to extend again if needed. So I was told by Guam Housing that all I need to do is just request for extension so that the president/director would approve the extension.

Chairwoman Pika Fejeran: I believe what the commissioner Sablan is talking about is have you talked to your contractor about how many (inaudible) he has to work on the job as soon as all of this goes through and approved.

Natasha Cruz: No, not yet. We didn't sit down and talk about exactly how many people are going to be on the job yet. So right now we are just trying to finish getting the building permit which is required to go through the different agencies. So as soon as that's done then we are going to sign off on that and that's when we're going to go ahead and open that up for discussion.

Administrative Director Michael Borja: Well the issue here is that there is a labor shortage of construction workers so that if deadlines can't be met with Guam Housing; it sounds like you are already on top of it we need to make those request to ensure you are not penalize any way because you know we're going to guarantee this loan and you don't want this loan to be jeopardized; and we have a good working relationship with the Guam Housing Corporation as it is already. They look out for the interest of the applicant anyway because they are footing the loan. But a promise for a completion date may be a moving target so you have to...that is why the commissioner is asking, have a good serious talk with your contractor to determine what really it's going to take under the existing labor conditions and how many people are working for him and how many has he lost from his company to go run off to do work with someone else. I don't know if your contractor have any H-2 laborers but he may have and if he had any H-2s he may have lost, probably most definitely have lost them and so just find out and get an idea and make sure that's expressed probably in writing so you present it at the Guam Housing and to us as well. What's the name of the guy that you (inaudible)?

Natasha Cruz: Mr. Wang. Either Chinese or Korean.

Administrative Director Michael Borja: So that's the concern that (inaudible) there is a major labor shortage and lot of projects comes to a standstill or slow down considerably.

Commissioner Pascual Sablan: Not only that but the Guam Housing or any bank or any institution will give you so many days only and issue the contractor for example, they didn't finish the project then you as the owner have to stop paying the loan to Guam Housing. I think this is part of why the commission responsibility but since it's up in guarantee then a loan to Guam Housing that's where I come in.

Administrative Director Michael Borja: The only thing we want to make sure too is we guarantee this loan and usually all our clients come in from Guam Housing we haven't had any issues. You know life doesn't always go as you plan and so if for whatever reason there comes a time where there's some difficulty in the payments, talk about it to the people that loaned you the money and guaranteeing the loan. We're like a co-signer, because it's better to talk to them to let us know what might be happening, what kind of emergency in your life that has suddenly occur that may delay payments or hold payments. Those kinds of things happen in life I'm not saying; you don't want to happen to you but it's most likely it won't but in the event anything happens. This loan is for how long? 30 years. You're still young today but boy wait until the 20 year point and you're going to say oh my gosh. Things happen so just beware, don't hide from it, don't run from it, just talk and lenders and guarantors will be will be happy to help you. As a guarantor we're faced with chasing down people who disappeared and it's not from anything that came from Guam Housing but it came from other agency that encumbered us. It's not a pleasant thing and in the end we ended up paying for it. And so when it comes to that point, you know, we're in default and (inaudible) it's because it's because we all have to look out for our interest and you don't want to lose your house and the land. So good luck with your plans.

Chairwoman Pika Fejeran: Question, who's...it's actually in the same page in the packet is your property's management?

Natasha Cruz: From your properties I went to look for somebody who can help me to kind of start the process of it so Wallace Roberto from Premiere Properties was that helping hand. He actually helped me getting contact with the contractor. He helped me by referring me to our person that's going to do the plan, the architect as well as the engineer. He's constantly also helping us do the follow ups with the follow ups with our contractor making sure everything is okay.

Chairwoman Pika Fejeran: On the signature block with the Premiere Properties there's Sean Perez.

Natasha Cruz: Sean is actually my spouse we're been working together we have a 4 year old son together.

Chairwoman Pika Fejeran: But you are the lessee and the loan is in your name only?

Natasha Cruz: Yes

Vice Chairman Joseph Cruz: Can I share some of my experience with a contractor. I would recommend for you to get a construction management. Mr. Perry has a working force but when the visa was denied he lost most of his supervisors and foreman so now a lot of them are working as a foreman that are just technical or helpers. So he does all the supervising the project and most of the time he's not there. So I would recommend for you to get a included in your funding of...because it going to cost you for monitoring the right (paused)

Natasha Cruz: That the project is going great.

Vice Chairman Joseph Cruz: Because the helpers what they do is they do the labor works but they are not following the plan. They are not following the (inaudible) and nobody is checking it. So that's why you need to get a construction management, like an engineering office, separate from your contractor that will work for you that require approval.

Chairwoman Pika Fejeran: Any other comments, questions from the commissioners?

Commissioner Pascual Sablan: I agree with Joe, it's a big house and (inaudible) you following. This house is a big house and for this amount of contract it can kind of (inaudible) the bill so protect yourself.

Commissioner Pascual Sablan: So we make a motion to approve.

Vice Chairman Joseph Cruz: I move to approve the request for Mrs. Cruz's guarantee loan.

Commissioner Amanda Santos: I second it.

Chairwoman Pika Fejeran: A motion has been made and second by Tan Amanda. Any comments? No discussion. Those in favor say aye.

All: Aye.

3. Alvin C. Toves – Additional Acreage

Chairwoman Pika Fejeran: Next item on the new business is Alvin C. Toves for additional acreage.

Alvin C. Toves: My name is Alvin C. Toves. I'm here asking for additional half acre.

Chairwoman Pika Fejeran: So you currently have an agricultural lease.

Glenn Eay (Land Agent): Madam Chair, good afternoon. My name is Glenn Eay I'm a land agent here for a Chamorro Land Trust agent that's assigned as the agent is not here,

Eileen Chargualaf, but I assisted her as during inspection of the subject lot. Mr. Toves here is requesting additional land to expand his farming land. Back in 2015 they did a lot of showing by two of our land agents and as several authorization was issued to him and the map was completed and documented. To date he has not been given a lease. But back in 2015 when he was shown a lot he started farming and I presented some photos there before you my site inspection that the type of farming that he has on the subject lot and he farmed over a 100% of the land square area that was for the agriculture use, 2,000 +/- square meters. So he's here today requesting additional land to plant his farm and like I mentioned that today (inaudible) for where he's currently occupying.

Administrative Director Michael Borja: How come we don't have a lease done yet?

Margarita Borja (CLTC): The map is just completed like the last (inaudible).

Administrative Director Michael Borja: and then the Notice to Award was for half an acre?

Chairwoman Pika Fejeran: Is that what we're looking at the blue highlighted on the map?

Glenn Eay (Land Agent): Yes, the blue highlighted area is where he currently occupying and the adjacent lot in front of it where he's requesting additional half acre... a quarter lot there.

Chairwoman Pika Fejeran: So to issue a lease do we just want for the correct property description?

Margarita Borja (CLTC): So we already prepared the lease and while we were in the process of preparing it when Mr. Toves indicated to us, is there a way that we can obtain the adjacent lot because the individual that was given that had relocated elsewhere because he couldn't wait for the map. He was just I couldn't wait anymore. So it became available and that's when he said, hey, this is a chance for me to come in, I've already utilize the majority of my property. I believe Mr. Toves you requested the neighbor right? In the other side, that we could go ahead and they, I'm not sure, they gave him the authorization to use their land too. So when he found that out he said why we don't just wait to see if the board approves him then we will go ahead and move forward with the lease.

Alvin C.Toves: Yes.

Margarita Borja (CLTC): On the other side we could go ahead and give the authorization to use their land too. So when he found that out he said what don't we just wait to see that the board approves him then we'll go ahead and move forward with the lease.

Commissioner Pascual Sablan: Is he the one that has two water meter?

Margarita Borja (CLTC): Oh no. That's Frank Cruz.

Vice Chairman Joseph Cruz: So what's the total acreage that he's asking?

Margarita Borja (CLTC): He's asking for the additional (interrupted).

Vice Chairman Joseph Cruz: one acre?

Margarita Borja (CLTC): Yea, if he gets his (inaudible).

Vice Chairman Joseph Cruz: But it has to go to the legislature?

Margarita Borja (CLTC): Yes. I don't know if we can.

Chairwoman Pika Fejeran: Well, Mr. Toves and Glenn thank you for taking all those photos. Those make me very happy. I know you're using your Chamorro Land Trust land in a way it was intended. I know that farming is not an easy work. You're out there and you're doing it and you're recycling tires, saving them from our junk yard. I really appreciate that. Actually, since they are in tires does that mean it's not the actual land?

Alvin Toves: It's coral.

Administrative Director Michael Borja: So he's an example of growing on a rock.

Glenn Eay (Land Agent): He's one of the perfect example for those who came before the commission, like, I don't want to mention names, but he said it was impossible to cultivate or plant. Mr. Toves demonstrated it is possible.

Commissioner Pascual Sablan: My question is who do you...just put the tire and put the (paused)?

Alvin Toves: I put a load of top soil and I put the top soil inside.

Commissioner Pascual Sablan: You don't have to dig further down?

Alvin Toves: I just put the tire down and then I set it to where I want it and put the top soil inside.

Administrative Director Michael Borja: Commissioners you obviously see that this is an individual that even without a lease and I wish you already had your lease...and I think we need to get your lease for this thing right now. But he is an example of someone who is used the land and done a lot of great improvising for soil. And if you agree that the other side of the land could be made available for his use at a later date after possible legislation has been approved. Then what I recommend is that if you agree do a motion to approve by resolution so that we can submit it as a package to the legislature with the intent to ask for additional half acre to make it a one full acre land or whatever total land size will be now that we have the survey map completed. We have the actual define the areas and then we

can submit that as a bill to the legislature and ask for it to be approved for greater amount of land. Unless you heard from Mr. Borja earlier again, the question is does this individual have the ability and the willingness to cut the grass, chop the trees, and do all this labor. This is the pictures that kind of show somebody that likes to work outside and talk to the plants and they give them great fruits.

Vice Chairman Joseph Cruz: Margarita, is the map individual lot or?

Margarita Borja (CLTC): (inaudible) individual lots.

Vice Chairman Joseph Cruz: So (inaudible) consolidation for one lease?

Margarita Borja (CLTC): Yes, if he gets it through from the legislature, it will be subject to consolidation.

Chairwoman Pika Fejeran I think we start by issuing the lease first validate him on the first half acre that you're (interrupted).

Vice Chairman Joseph Cruz: By the way, do have to set this to consolidate or (inaudible)?

Administrative Director Michael Borja: It will be subject to consolidation. You know what that means the consolidation gets through and then you get another survey map done which pretty much just a new drawing to raise the lot.

Alvin Toves: Can I just pay the other half \$800 (inaudible) that I paid for that one? I mean on that one can I just pay the \$800?

Administrative Director Michael Borja: Well, it's already done.

Margarita Borja (CLTC): It's going to be more because it's more work to be done.

Commissioner Pascual Sablan: Are you a fulltime farmer?

Alvin Toves: No

Commissioner Pascual Sablan: I wonder how much of his time is putting to doing all these things.

Alvin Toves: I just do this in the morning then I go up to Yona. I got my pigs and my ducks in Yona. I used to farm up in Yona but I waited for 20 years for this land because where I'm farming belongs to my auntie.

Administrative Director Michael Borja: Where, in Paluntat?

Alvin Toves: Yes.

Chairwoman Pika Fejeran: So I would ask Mr. Glenn if he can issue out the first half of the lease on that first half acre and then can I hear a motion to reserve the portion of the land next to his first half acre?

Margarita Borja (CLTC): What's the lot number?

Glenn Eay (Land Agent): The lot number is, the adjacent lot is Block 18, Lot 13.

Vice Chairman Joseph Cruz: That's the extension? He's assigned to Lot 12.

Glenn Eay (Land Agent): Right, so the adjacent one is 13, same tract. Tract 103-16.

Vice Chairman Joseph Cruz: There's a motion. I move to approve the request from Mr. Alvin Toves subject to the legislature's approval for the additional acre.

Commissioner Amanda Santos: I second it.

Chairwoman Pika Fejeran: Motion has been seconded by Tan Amanda. Discussion? All those in favor say Aye.

All commissioners: Aye.

Administrative Director Michael Borja: I'll do this in a form of resolution.

Chairwoman Pika Fejeran: Mr. Toves. Thank you. You are doing a great work and you are a shining example for our Chamorro Land Trust lands beneficiaries. Thank you for coming.

Those were very positive new business on our agenda today. Someone's building a home and someone's farming our land. I am happy.

VII. DIRECTOR'S REPORT

Administrative Director Michael Borja: I want to start with...I think you guys got copies of the Public Auditor's audit report and over all its very good. The only thing they wrote us off on was still the need for a lease which is one of the things here and so the ITC has agreed to actually issue out a lease Chamorro Land Trust occupies a certain square footage of this building and despite all the arguments we're had for the last four OPA audits of this thing there were compliance in doing it in a way a procurement laws allows us to do it. There's one general...Joey come on up. Joseph Cruz is our audit connector and does all the finances that he'll be talking about in this set of items. So that was really the only write-up. Otherwise, they were very keen and happy with the way everything had been doing. If that thing is cleared up and it will be before the next audit, hopefully, we will have a clean audit next time.

They did do as I mentioned earlier in the meeting sampling of leases and actually shows that hey, you've got a number of leases that may have exceeded half acre, why, and in almost all those cases it was because of some other circumstances in which they've already committed from years before a beneficiary changes and things like that where they paid for everything already, the surveys were done, they've already committed a lot of financial staff or the commission minutes (inaudible) even before the issuance of the lease. So those were all justifiable. They agreed with that, they took it up as a finding...was not concluded as a finding but they do look at those. They just ask for samples and then they rate one of those samples. So they removed that after our discussions. The report showed that we had a decrease in funds because of coral extractions, they stopped that at the race track so there was less money coming from that and only because we don't want them to continue (inaudible) which was always been the write-up on where's the account.

Chairwoman Pika Fejeran: It's not a write up this time because they (paused).?

Administrative Director Michael Borja: It's not a write up. Okay, Revenue Collection Report (interrupted).

Chairwoman Pika Fejeran: Sorry, I just want to applaud you, Director and Joey, I know it was a lot of work and back and forth with the Public Auditor. That is out! It looks clean so you guys are doing a great job.

Administrative Director Michael Borja: Thanks. In fact she must have like it so much she didn't release it ahead of time to the media with explanation points everywhere so I guess it wasn't something for her to bark about.

Chairwoman Pika Fejeran: It doesn't make news if it's clean and (paused). I'm sorry go ahead. Revenue Collection go ahead.

Administrative Director Michael Borja: I think you have it in the back of the page, the Revenue Collections in here and Joey you want to go through this. You have a whole list of stuff back here. You see in the financial (inaudible) mark as out as orange, this shows what we proceed as far as payments for licenses and leases.

Joseph Cruz: Sir, we have it from March application fee we collected a total of \$800 for commercial lease and licenses we collected a total of \$59,825.53 for land leases (interrupted).

Administrative Director Michael Borja: Just stop there. Guam Country Club is slightly behind so further breakdown of this thing in showing our commercial.

Joseph Cruz: The Country Club is one month behind. For May only.

Chairwoman Pika Fejeran: I see 1, 2, 3, 4, 5 payments in March.

Administrative Director Michael Borja: Right because we've been screaming at them to pay current. The Sale of the Government Land that's the Land for the Landless.

Chairwoman Pika Fejeran: and these are the people that have come in and set up like a payment plan?

Administrative Director Michael Borja: No these are the people who have come in to pretty much pay what they owe and you see they came in pretty much in March and then in April there were just a few more. So about \$2,200 - \$2,300 worth is collected to close off those accounts so despite the fact that we went in and we ask for if there's a bill. It still brought it about 10 more people so that closed off few more. Those \$1,000 ones they just came in and make a partial payment, right, but we don't encourage those partial payments.

Margarita Borja (CLTC): But he came in the late part of the month to make payment.

Administrative Director Michael Borja: Doreen Carlisle paid \$1,000 and then paid off the balance. And those go into the survey/infrastructure fund. And then what we also included that you wanted and you wanted to see our burn and so you have the colored ones...where the monies are going for in personnel and how it's allotted, personnel and equipment. On leases, the monthly amount is \$64,000 total. That's DLM as a whole but not breakdown what the itemization is for Chamorro Land Trust. That's usually in our financial statement. The audit will show that.

Joseph Cruz: The next board meeting we'll have a printout from the Quickbooks and Balance Sheet and Income Statement as of whatever the next board meeting will be. We are just waiting for the adjustments to get approved and the audit to be final.

Administrative Director Michael Borja: Right now will be what the actual closeout looks like because of the approved adjustments that the auditors said we had to do.

Joseph Cruz: Currently Chamorro Land Trust pays a \$124,000 in rent.

Chairwoman Pika Fejeran: I'm looking at the Projection Analysis for Chamorro Land Trust the colored table the foot notes says \$26,000 was spent on the audit and the \$20,000 to the Hearing Officer, is that already...it's not spent yet?

Administrative Director Michael Borja: It hasn't been spent.

Joseph Cruz: It's been encumbered.

Administrative Director Michael Borja: We did do a proposal request for a Hearing Officer and we have selected our Hearing Officer and that Hearing Officer is just waiting for finalize the contract but it's Fred Horecky. Now I also asked Fred Horecky if there maybe any conflicts with one of our specific items to be heard and that's with the GRRP License Agreement and he said he most likely does have a conflict. So we're going to have to again take that...once we get the official contract signed and then I present him with the

formal letter to say you have a conflict with these individual cases when he gives me his response than I'll present that to the Attorney General and say we've gone every way we could and we only have one responded, we selected that individual and unfortunately that individual also conflicting with some cases and we need their assistance to help out in that manner to figure out what we can get someone else to provide services to have a Hearing Officer. That way we can close that out once and for all because it is pending and we still fill him on a monthly basis just because his contract...are we still doing (inaudible) GRRP?

Joseph Cruz: We're still (inaudible). Although the end of the fiscal year we classified it as a (inaudible) accounts.

Chairwoman Pika Fejeran: For what?

Joseph Cruz: (inaudible) uncollectible

Administrative Director Michael Borja: Bad debt. But (inaudible) formally terminated which is the review of the hearing officer. Let me check my calendar I know I put the date down here for when the time period for the Ypao Point commercial use with the termination was sent out to the legislature but we are coming up pretty soon on the time period they are allowed to comment. Once that's available then we can work with GEDA to help find a user for that.

Chairwoman Pika Fejeran: A Chamorro Land Trust fund lock-box resolution?

Administrative Director Michael Borja: the bill hasn't been introduced although Senator Tom Ada's office is keen on that idea and when we found out that we were denied by the budget office of the legislature for the survey appropriation...I thought maybe they looked at the AS400 and the timing was wrong and they found the cash has been swiped, but that's not what happened. But that would be a reason why so that we don't have anybody touching the cash that we are going to try and use already.

Commissioner Pascual Sablan: The fund has been swiped but has it been return?

Administrative Director Michael Borja: No they didn't. We could not figure out why they thought we didn't have any money when all our data showed us the money is there and it was just the way they physiologically describe like he said white money, green money. It's there in numbers but is it there in cash. Apparently what it really is that it has to do with budget. The budget has been submitted so anything that would cover for that budget if it's already in the account, it's frozen for that period. You can't take anything more this year because you only need to make sure it's available for next year budget, even though more money are still coming in.

Commissioner Pascual Sablan: and for the survey/infrastructure fund, is this going to be continuing account right?

Administrative Director Michael Borja: I think the law said it was going to be established for 2020, it was a 5-year period or something like that, or 4 year period.

Commissioner Pascual Sablan: I just want to make sure, if it's fiscal year then if we don't spend it, it goes back to (interrupted).

Administrative Director Michael Borja: Oh no it stays in the infrastructure fund. One of the things Joey (Joseph Cruz) has also recommending is that we move the monies. We try to consolidate as many of these accounts because there are a lot of accounts and it can get kind of confusing and messed up to keep track of all these account. It's not hard if you track but it's useless and also at some point if everything goes to the infrastructure/survey fund then you got nothing left for your operations. So not everything should go to the infrastructure funds so we will be monitoring that to make sure that it doesn't hurt us in this operations.

Commissioner Pascual Sablan: But what we set aside for infrastructure...we cannot arbitrary just transfer it to?

Administrative Director Michael Borja: No, and if we can't just spend it either. So for example, when that \$400,000 check comes from Guam Waterworks I want to make sure that everyone knows in the legislature that's exactly what's going to be used for is the survey fund so that somebody doesn't get a grand idea and say, well, my constituent and wherever wants a bunch of waterlines so I'm going to take all that money and put it in water and power when we really only have a plan for it.

Commissioner Pascual Sablan: So there's a difference from survey and infrastructure?

Administrative Director Michael Borja: No, it's the same fund. Survey and Infrastructure fund is one fund.

Commissioner Pascual Sablan: Thank you.

Chairwoman Pika Fejeran: I know you already mentioned the ITC Building office lease and is Chamorro Land Trust going to have their own lease? I thought in the discussion with the auditor (interrupted).

Administrative Director Michael Borja: It's a Department of Land Management lease.

Joseph Cruz: It's issued to DLM so what happened is I think couple of days ago Ms. Mary (ITC Office rep) had emailed me a format she used just to review, so the formatting was an option to extend so I had to call her back and let her know that we're not committing to extend we just want a formal lease from the start of the bid that we are currently using now to the end and that would only for Land Management because that bid was pertaining to Land Management.

Chairwoman Pika Fejeran: And then Chamorro Land Trust would have our own internal agreement with Land Management that we pay this amount.

Joseph Cruz: X amount for this space. Just like how the attorney was broken down in audit, the attorney expenses.

Chairwoman Pika Fejeran: So Chamorro Land Trust will not have its own lease? Okay, Director, anything else to report before we move on?

Administrative Director Michael Borja: Yes, the Small Business Administration's loan guarantees that were done for those specific accounts. What it did it listed down all the two different classification of accounts that are default, the charge offs which the U.S. Treasury classifies as kind of serious and then there are the ones that are also default. We've gone through the process of a whole bunch of a whole bunch of them for last year and had discussions with every one of those lessees, they probably will be one or two that will we're going to seize back the land and everything else only because that person didn't seem to want to do anything. For most of them it was an issue of SBA wouldn't talk to the survivor, beneficiary so we have to do up some leases to change the lessees because they passed away and there's a beneficiary that they were willing to take over and finish the payments and there are some others that are just in default and so we are working on contacting all the people. And we've been pretty successful, when you call them they come current and they understand that they're being watched. There is one place that's been vacant for a long time and it was a matter of a divorce which broke up the family and the wife who received that property in the divorce decree just ran and even her daughter can even find her. So there's a concrete home there that has been pretty much gutted but it's still a full concrete home and there is an individual who has who has expressed interest in wanting to buy it but he only just turned in his application last week. So we would have to go to the process to figure out who would want to take over a gutted out house. We would just have to go to that process and if this individual is willing to come in and do it right away. It will be up to you guys to determine he had the means to already go and then fix it up whereas we can try a 100 people and every one of them turns it down. Do we want to spend the energy to contact 5,000 more and find out or this one individual who is actually found it and say, hey this belong to you guys what's going on and if it's available. That person has expressed that interest.

Vice Chairman Joseph Cruz: Have we done any assessment on that site?

Administrative Director Michael Borja: No we've been looking for the person, the lessee.

Vice Chairman Joseph Cruz: No, the assessment of the building if there were to flip it or to maintain how much the new owner or the new tenant (paused)?

Administrative Director Michael Borja: It would have to be the balance of the loan plus all penalties and interest would have to be part of the plan.

Vice Chairman Joseph Cruz: That's part of the package, but the condition of the house, how much would it probably a step...to fix it up?

Administrative Director Michael Borja: To fix it up, that's up to them. All our concern is to pay off that loan. If he's willing to take it over and spend (interrupted).

Vice Chairman Joseph Cruz: What I am getting at is if it's going to cost \$50,000 okay, and then you have a loan balance of \$150,000 that's \$200,000. I don't think any qualified tenant in the Chamorro Land Trust will be eligible to cover those costs. But if we assess the structure as to whether \$10,000 or \$5,000 or whatever we need to know as to what we are looking at to be taken over. What is the advantage of this guy spending? I mean, it's our property (interrupted).

Administrative Director Michael Borja: Right, it's our property but we have to do is recoup the, how much was it Joey?

Joseph Cruz: \$58,000.

Vice Chairman Joseph Cruz: But that's already a given that we have to pay that financing, but how much would it cost to fix that so that in additional to the \$80,000 this guy can afford this project or are we looking at (inaudible)?

Administrative Director Michael Borja: If he (inaudible) he can and he knows because he's asked how much is left to pay for this thing. He wants to take the \$80,000 and it's going to cost \$50,000 to upgrade it back to a livable conditions and he has the funding to be able to do that and he wants to do it and he'll know he can't sublease it, rent it out or anything like that so it's going to be some place that he's got to live in.

Vice Chairman Joseph Cruz: I'm just throwing that off because if that's the (inaudible) an ancestor or a realtor to say hey this is out problem and you know what will it take to get it fix? You want it improved.

Administrative Director Michael Borja: Right but I think a person is going to take over a loan which got an \$80,000 outstanding (paused)

Vice Chairman Joseph Cruz: He might have to cut to qualify a \$200,000 loan (inaudible) funding.

Administrative Director Michael Borja: But that's up to him, isn't it? Not up to us. I mean if he has the ability to do it (interrupted).

Vice Chairman Joseph Cruz: I understand where you are coming from but if a client comes in here and for us to entertain them we would have to collect a background check...can you afford this and all that? Why don't you just get it from the start when you present it to a client to say this is what we owe, this is what it takes to fix? We would like to

see your financial, can you make it? Instead of just putting everything on them to say hey, it's up to you, it's up to me. We're not going to sell it to them like that, I mean, that's my thing.

Administrative Director Michael Borja: Okay...well...but I don't to spend money to go out and pay someone to tell me how much it's going to cost to fix it up.

Commissioner Pascual Sablan: My question is if they say its under SBA, would SBA willing to pay another party to take over the loan?

Administrative Director Michael Borja: Oh yeah. That's how it's supposed to work, that's how the laws even written that what's supposed to happen, even in the case of this young lady who had the loan guarantee, if she defaulted then we take over the payments month to month. I don't want to pay off the balance so we find someone else who can qualify for that loan and wants that house and takes over the loan and pays whatever the cost of all of this is, is going to add on whatever we've paying over time for this loan. So you know the balance is only at \$75,000 but we paid \$10,000 of it and she's going to pay \$85,000.

Commissioner Pascual Sablan: I stand to be corrected but I believe most if not all of SBA loan were given out (inaudible).

Administrative Director Michael Borja: All of those SBA's were. There's a difference between that loan guarantee that came from Guam Housing, we have "0" defaults on that, whereas all these SBA were from FEMA, and they were just wacked out the way...I don't know how they did it. Like that person who got this \$80,000 grand for the house, I mean, it looks like they started to put it in and then the family broke apart and...

Margarita Borja (CLTC): I think they were living in there but now all the windows are broken, everything is just (interrupted).

Vice Chairman Joseph Cruz: The problem is SBA sells their mortgage and sometimes you don't know who the institute that took over the loan and we're over here and they are over there and we don't know the address (interrupted).

Administrative Director Michael Borja: And that's what happened to most of the SBA loans and every once in a while someone will come in to us because they got an issue with one of those banks that it got sold to but in this specific case these are the ones SBA kept that's why we're dealing with SBA directly because these are the ones SBA has kept and they have come to us and said they got this defaults, help us to find these people and that's what we've been doing. But no banks has come to us to tell us that.

Vice Chairman Joseph Cruz: So we're coordinating this with SBA do we recommend the client who go prequalify with SBA in order for them to inherit the loan with us?

Joseph Cruz (DLM): What happens usually is for example, if like for instance, Ruth she defaults, or she wants to transfer her lease to me we prepare the lease and we send it to SBA if SBA said you must make a consistent payments of 6 payments in a row then they consider it then the loan will be put in my name so you have to prove that you are eligible to pay first.

Administrative Director Michael Borja: But you also have to be qualified. I can see your point, commissioner, so we say it's going to cost \$50,000 to renovate this house back to a living condition we want to show that the banker can show that you are qualified for a loan or you have a bank tell us that you have this money to pay it all.

Vice Chairman Joseph Cruz: So you prequalify with SBA for that \$85,000 and then convince us that you can afford to (inaudible).

Joseph Cruz (DLM): SBA won't entertain individual who don't have a lease in their name. So until we issue the lease in their name then they'll entertain them.

Margarita Borja (CLTC): Maybe what we can do is we can have them prequalify, just go to the prequalification with the Guam Housing just so we can kind of have an idea of not necessary to go with them but to just get their approval for \$140,000. All we're asking is, whatever, \$80,000 we know that for additional they will be able to...then sign the lease and then let them deal with SBA.

Administrative Director Michael Borja: Then if they are good we give them the lease, we give them the land, and they get the loan they pay off so much to SBA. Once SBA is paid off is off they don't want to talk to anybody anymore, they are happy. But the charge off are the ones that are ...if you were charged off by the U.S. Treasury anytime the U.S. Government was going to pay you for anything they will deduct whatever was considered charge-off before they pay you. If you are going to get Federal Income Tax returns from the U.S. Treasury they will deduct that from your refunds.

Commissioner Pascual Sablan: It follows you to the cemetery. Now, just the loan guarantee how far it's going to cost like that hypothetical sample the Joe brought up, \$50,000 and let's say \$150,000. What are we going to give the loan guarantee, a \$50,000 or a (inaudible) to SBA? See for example, if something happened are we going to loan guarantee to SBA the unpaid balance?

Administrative Director Michael Borja: No, I mean in this case...like Joey said SBA is not even going to talk to you until you are a lessee and he's not going to be a lessee unless he can get a loan to pay off SBA. So SBA won't even come in to the picture, most likely all they want is, you know, a commitment that there's going to be money. So when he gets the loan Guam Housing will say okay \$80,000 is already encumbered to SBA and that \$80,000 gets paid to SBA then we don't see it at all but then we get the return back that now the account is cleared.

Commissioner Pascual Sablan: My question earlier, SBA would allow the new owner to take over the old loan?

Administrative Director Michael Borja: They will but you have to have a lease. So in this case what has to happen is he gets the lease, he makes the 6 months of payments then SBA says okay we'll deal with you. You're on the lease you've been making some payments, we'll talk to you now. But that's the problem with have with all these people who were beneficiaries or divorcees that got their property. Those people wanted to continue paying and they got the notices but because they weren't on the lease or on the loan SBA wouldn't talk to them so we have to make those corrections so SBA could talk to them by putting them on the lease. And that's almost all those problems were.

Commissioner Pascual Sablan: But if I pay 6 months and I sign the lease with you people?

Administrative Director Michael Borja: Then they would consider transferring over the loan to you and they work with you to take over the loan.

Commissioner Pascual Sablan: Okay, now if that person comes in as (inaudible) cash to renovate the house what are we going to provide a loan guarantee, the \$50,000 or the entire amount?

Administrative Director Michael Borja: No we wouldn't loan guarantee SBA we would loan guarantee let's say Guam Housing then they pay off SBA's balance.

Margarita Borja (CLTC): So they are not assuming, Joey.

Joseph Cruz (DLM): It depends, an example they are using is an individual wants to wants to come in and pay this or take over this or whatever but he's going to Guam Housing so it's not assuming the loan, it's paying it off. You're taking on a new loan to pay it off the defaulted loan. Now for these other SBAs like Mr. Topasna or these other clients that we have their beneficiaries are going to assume the loan but the loan will also include guarantees and interest payments and whatever fees after it gets transferred to the U.S. Treasury to the collection agency.

Commissioner Pascual Sablan: But that's after you assign the beneficiary of the lease because the lease is still with the original.

Joseph Cruz (DLM): Like what we just did 2 days ago was we just sent off 6 leases stated that we've reassigned these leases to the beneficiaries and Chamorro Land Trust authorizes them assume the loan so now they have to make their consistent payments and then SBA will come in and work with them to transfer the loan to them so then we've already fulfilled our part by reassigning the leases.

Administrative Director Michael Borja: And that's so that they want to talk to them they got the documentation to show them.

Vice Chairman Joseph Cruz: But going to the guarantee loan, let's say they qualify now the interest rate is different with SBA so they have to inherent that prior interest rate?

Joseph Cruz (DLM): Whatever if they decide to go to the Guam Housing and pay off they would have to.

Administrative Director Michael Borja: Fortunately there's not a whole lot of the really big amounts. There was a lot of small amounts it turned out that SBA and FEMA said they would qualified we were going to give you grand but we will give you \$5,000 now and they never went beyond the 5 because people didn't finish the paperwork. But that was enough to get four people (inaudible) into that.

Commissioner Pascual Sablan: One last question before we adjourn. Why the other banks are not entertaining the loan application for houses on the Chamorro Land Trust?

Administrative Director Michael Borja: Because they can't encumber the land.

Commissioner Pascual Sablan: But we are giving the loan guarantee?

Administrative Director Michael Borja: I know, and that was one of the things that we wanted do to talk to the different banks but we just haven't gotten to that point. I think Bank of Guam gives out home loans in Palau or Saipan where, they can't encumber the land. We're trying to work with them and we presented them but I think if we get our full act together and show them that we are good player on the market so we can get the kind of agreements with some banks. It's just one of those things where they are not allowed to put a lien on government land, that's a big one.

Margarita Borja (CLTC): Since we are on the issue of loan guarantees. Chamorro Land Trust has put out one (inaudible) and it's been sitting idle for like how many years, and we do want to know what our next step is. Do we appraise it so we can sell it? I don't know but it's sitting there. It was a \$69,000 loan that Chamorro Land Trust (inaudible).

Vice Chairman Joseph Cruz: We can do an in-house appraisal and we can go from there.

Margarita Borja (CLTC): When was the last time we went out there Joff? Two years ago, how was the house was it still...?

Joffre Aguon (Land Agent): I went out there, actually, because I was trying to do an inquiry in (inaudible) .

Margarita Borja (CLTC): So it's still okay, the windows are still intact and everything so...it's a small house but...

Vice Chairman Joseph Cruz: Those people coming in for residential, can we offer them.

Margarita Borja (CLTC): That's what I'm saying but we need to know whether we're going to try and just get back what we paid out or we looking for selling it for more if it's appraised today might be less or I don't know what do we do?

Matt Leon Guerrero (Land Agent Supervisor): I've talked to a few Chamorro Land Trust residential clients who qualifies, they see it and they rather to just go and get their own...it's one of those type of house (inaudible) it's real small, it's a box type house.

Chairwoman Pika Fejeran: I keep offering it until someone is interested then we go from there.

Margarita Borja (CLTC): So what are we looking at? Trying to get our money back, at least that or having it appraised or?

Chairwoman Pika Fejeran: At the very least get our money back. I imagine they have to spend their own money on top of that so...see if you can get someone interested first and then you can go from there. So for the loan guarantees that defaulted and we are going to have to pay that comes out of our loan guarantee fund, is that right?

Administrative Director Michael Borja: Yes.

Chairwoman Pika Fejeran: And that's the \$300,000?

Administrative Director Michael Borja: That's the \$500,000

Joseph Cruz (DLM): But that money needs to be replenish as soon as possible because if I remember correctly in the agreement there's a penalty date (inaudible).

Chairwoman Pika Fejeran: When it falls below \$500,000?

Joseph Cruz (DLM): Yes.

Chairwoman Pika Fejeran: So I guess when you're closer to knowing all the details for this can you let us know so it doesn't have to come out of our operations fund?

Administrative Director Michael Borja: Well, we haven't been paying anybody. We haven't been paying (inaudible). They haven't demanded us to pay. They have been putting the burden on the individual who took out the loan.

Commissioner Pascual Sablan: (inaudible)

Administrative Director Michael Borja: Well the thing is we are currently trying to come up with an idea of what the percentage will be. There are two ways of doing this, either you keep growing that so you get money and you building...that fund has to grow to millions of dollars or we be getting an insurance policy and paying a premium on an insurance policy rather than having to have all these ideal money (inaudible) sitting on

time-deposit to making interest and not working for anything. But fortunately, nobody has defaulted. So the idea here is to take it out just to pay monthly and then when you sell the house, find someone to take it then it recouped your cost back.

VIII. COMMISSIONERS' COMMENTS

Chairwoman Pika Fejeran: Next item. We're right on the tail-end. Commissioner's comments. Anyone? I have a comment. In my packet there's a letter from the Tamuning Mayor.

Administrative Director Michael Borja: We're trying to determine. It's called a Blue Market. It's kind of like this weird situation where somebody gave someone provision and they went in there and built something and the mayor of Tamuning has been trying to (inaudible) all those back lands from there and who's it assigned to. Is it the Chamorro Land Trust lands?

Margarita Borja (CLTC): That lot where the sports field and everything is inadvertently transferred to the Trust so it's in our inventory right now it just wasn't supposed to be there.

Administrative Director Michael Borja: But that house, that building is the school boundaries.

Margarita Borja (CLTC): The house falls within the LBJ school lot which was also transferred to the Trust. So the school was also transferred to the trust. Only 1.38 acres out of 4 I think, I don't know why, I really don't know why.

Administrative Director Michael Borja: So that it is administratively in the possession of the Chamorro Land Trust Commission. What had happen a couple of years ago was GEDA was willing to try to do some cooperative work with both the mayor's office and the Tamuning Fire Department and relocate the Tamuning Fire Department to a location back here by GPA where were ideal for them and then relocate the mayor to this property over there and finance them to go build a nice big community center and some other stuff and then lease out this land and that money they make in that land will pay the Tamuning Municipality Counsel for activities and buildings and sports fields. But the Tamuning Mayor's Counsel said no, we want to keep this place here and we want that place there despite the fact that, that land would probably be better use for commercial and economic development and they used all these arguments that we got this beautiful flame trees that we planted and we got these monuments that we placed and they mean something and so it's gone nowhere. Although the Fire Department stands the possibility of not being eligible for some community development block grant to rebuild their facilities. You know that's since 1960's era building right there and it really need to move to another location.

Chairwoman Pika Fejeran: So this is tabled, this is not for discussion.

Administrative Director Michael Borja: You can determine and I haven't seen the bill yet to transfer the land although they've been trying to work with the senator to do it and the

senator has been trying to figure out what to do. It will be one of those things, ones the bill comes up they'll come in and ask for how we feel. The mayor hasn't come in and ask us.

Commissioner Pascual Sablan: So why don't we make a motion to introduce a resolution to the legislature not to (inaudible)

Chairwoman Pika Fejeran: I know this Tamuning Mart, they don't have a commercial license with us?

Administrative Director Michael Borja: No, I think its vacant now. It's not in operation.

Margarita Borja (CLTC): We've kind of going out there and telling them to cease and desist and finally they are gone.

Administrative Director Michael Borja: and I think we put instructions out to DPW not to entertain their business license.

Commissioner Pascual Sablan: But seriously, we need the money.

Administrative Director Michael Borja: See that was the other part, my call was that if there were going to take transfer and swap Chamorro Land Trust not only will the mayor's people get the portion of whatever rental comes for the use of that land so does Chamorro Land Trust because they are taking our land well then what do we get out of this. But they are so hardheaded and love what they got there which is nothing to bark about. And I told them look what if you build something that looks like the FD Phoenix Center. It got indoor facilities, basketball facilities, you have all these kind of classrooms and working areas and office space. That's the kind of building that could have been built. They didn't like the idea.

Commissioner Pascual Sablan: Whether they like it or not why don't we do something and (inaudible)?

Administrative Director Michael Borja: Okay, if you want to move in that direction that you don't want to release that without...it will be a land swap. And then GEDA will have to pay up a bigger portion of whatever commercial development comes in that property.

Commissioner Pascual Sablan: So how we word it. I make my motion.

Chairwoman Pika Fejeran: Do I hear a motion?

Vice Chairman Joseph Cruz: Why don't we consider additional lot and not just focus on one parcel. My idea is to consolidate other partial that we can present is more enforceable, not just a single lot. Because we do have lots that needs to be reserve and it is so up for grabs in the legislature. Once they know about it they will just come in their own (inaudible). My other concern here is when I first started with the commission we

mentioned about the IBC in Yigo that we're going to evict them in January up to now I can still see...(interrupted)

Administrative Director Michael Borja: Okay, a couple of weeks ago I finally caught up when we went looking...I went out there and did a site inspection and ...the agent has been unsuccessful in contacting and finding Mr. Toekes so we drove to where his new office is on Hamburger Road near McDonald's and caught him and said get out of there and he said well you're supposed to call Phil Roberto so I called Phil Roberto and said come on... so I gave him until first of January and I said after that we'll seize you, I mean June, 1st of June.

Vice Chairman Joseph Cruz: and that's 6 months from now and it's been idling for the last (inaudible)...no but since January they were expecting to be out and they have been sitting there for free and they still making their money.

Administrative Director Michael Borja: Well they have been cleaning it up they've actually been cleaning out when we got there they were

Vice Chairman Joseph Cruz: Six months is just too long.

Administrative Director Michael Borja: I agree.

Vice Chairman Joseph Cruz: We haven't even given them a notice of eviction and any notice of delinquent or whatever penalty that we can provide them. I mean, I haven't seen any application or request coming in for the commission but nothing has been done. Another one is the Race Track Hawaiian Rock is supposed to provide topo map reflecting the existing lot verses how much acreage had been vacated, I mean extracted.

Administrative Director Michael Borja: And that's why we made them stop extraction.

Vice Chairman Joseph Cruz: But that's kind of too late. They are not providing us the scope...they came to the meeting saying they will provide us this information.

Administrative Director Michael Borja: and they are looking to ask for time for renewal. I told them when they came in you have all these things you're supposed to be doing.

Vice Chairman Joseph Cruz: Which is fine. Have we given them any notice of what we've been asking and that's what was about a couple of months ago that we've been asking for that. Also the Global Recycle, they've been there for the last 20 years free of charge, they've been recycling.

Administrative Director Michael Borja: Exactly and that was one of the things where I brought it up to try to get it to be a commercial property.

Vice Chairman Joseph Cruz: Have you given them notice of eviction?

Administrative Director Michael Borja: I can't give them notice of eviction...they were allowed to (interrupt).

Vice Chairman Joseph Cruz: Allowed by whom?

Administrative Director Michael Borja: They were allowed to be there. They want a lease, they want to lease that.

Vice Chairman Joseph Cruz: We own the property right and we have jurisdiction over the lot.

Administrative Director Michael Borja: I would rather that they pay a lease.

Vice Chairman Joseph Cruz: Okay, you rather but okay, how can we do that when we don't even establish ownership of the property because they are using it as of today and those are all illegal use.

Administrative Director Michael Borja: and this is the stuff I also brought up with the legislature saying I need special legislation to grant that authorization.

Vice Chairman Joseph Cruz: You don't need special legislation if you have the commission addressing the citation and giving it to the person that is encroaching, start with that.

Administrative Director Michael Borja: I don't understand what that gets you.

Vice Chairman Joseph Cruz: We establish a reference of eviction; establish a reference of them being illegal sitting in that property not paying anything. I feel sorry for Mr. Cruz EPA came in and cited them we terminated the guy because EPA violation of a junk yard in a Chamorro Land Trust property and here's this guy no difference than a junk yard EPA and I'm pretty sure there's a citation of EPA.

Administrative Director Michael Borja: No, no they have approval from EPA.

Vice Chairman Joseph Cruz: Please! Now you tell me that site, that activity does not disturb the aquifer.

Administrative Director Michael Borja: I can't tell you that EPA is the one that makes that determination.

Vice Chairman Joseph Cruz: Very true.

Administrative Director Michael Borja: and EPA has granted them a permit.

Vice Chairman Joseph Cruz: Okay, did we get an official, an official documentation that EPA said Chamorro Land Trust that activity is safe?

Administrative Director Michael Borja: When they grant a permit that's (paused).

Vice Chairman Joseph Cruz: Permit is issued based on conditions based on compliance.

Administrative Director Michael Borja: But that is the place where I think that we (interrupted).

Vice Chairman Joseph Cruz: I think we should do more than just think that EPA is the final phase of saying yes you are in compliance. That's our property out there.

Administrative Director Michael Borja: They inspected it.

Vice Chairman Joseph Cruz: Are you satisfied with it?

Administrative Director Michael Borja: Well, you know, they have an issue with a notice of violation then what other definition do I come up with?

Vice Chairman Joseph Cruz: All I'm saying is that all these issues that came through this table when I sit in here I expected to be follow through, none of these have been follow through you didn't even give them any notice since the last time we entertain this case, you didn't for whatever reason I don't know and I don't care but we are taking action in this commission and I hope you respect the decision of this commission.

Administrative Director Michael Borja: Okay, then make a motion of what you want me to do, please.

Vice Chairman Joseph Cruz: This is a discussion, comments, I'm not making any motion.

Administrative Director Michael Borja: No, make a motion for me to take action, do it, do it, do it. Do it in details so you got something to wring me with because (interrupted).

Vice Chairman Joseph Cruz: I'm not wringing you.

Administrative Director Michael Borja: But you are so do it in a motion so I will do it and there's no excuse whatsoever please, do it.

Vice Chairman Joseph Cruz: I'm only asking is this commission's comment that's my comment so you're going to take it as that, take it as that but I'm not making a motion.

Administrative Director Michael Borja: Okay, so do you have specifically what the commissioners' ask for. Can you please repeat for the record so she can jot it down and I will then take further action as to what's required by me? No. 1?

Commissioner Pascual Sablan: No Joe I think the director's point with all these, I see a point (interrupted).

Vice Chairman Joseph Cruz: No you're throwing your top power to me because (interrupted).

Administrative Director Michael Borja: No, you're telling me what I need to do so please repeat so I will do it please.

Vice Chairman Joseph Cruz: No, I'm not telling you my comment was that one of these were done. I'm only rephrasing what was given through this commission.

Administrative Director Michael Borja: Then tell me what is it, no. 1? Write it down with me Ruth.

Vice Chairman Joseph Cruz: You're taking this through a...? Then alright, replay it and you can get the dictation out of it, I'm not going to repeat myself. I'm sorry, I'm sorry but I just feel frustrated.

Chairwoman Pika Fejeran: If I may Mr. Vice Chairman. I heard IBC, I heard Raceway, and I heard Global. Those are all the cases that you just brought up.

Vice Chairman Joseph Cruz: Yes, it went through this table, all of them.

Chairwoman Pika Fejeran: Yes, and there has been previous directive when they first came up, I think Joe, what you are looking for is like progress to move forward, right? We can present on the next agenda and give the director (paused).

Vice Chairman Joseph Cruz: What I want to know what action has been done, what's all I'm asking, what action has we done since we entertained these?

Chairwoman Pika Fejeran: It sounded from his responses that there have been actions done that he is working with IBC and went to Toekes and given them a first two guidelines.

Vice Chairman Joseph Cruz: Between January and to this month what have we done that it requires us to extend another...June 1st to vacate? What has been done, the new date was back in January, nothing, we have heard nothing on that so all I'm asking is (interrupted).

Chairwoman Pika Fejeran: But we didn't talk about it in January either, why are we not following up and pushing him and saying this is what needs to happen.

Vice Chairman Joseph Cruz: When we first heard about the IBC being evicted in January that was the discussion I was referring myself that their eviction was supposed to be in January/February time period and up to this point it's still there. Now we're giving them an extension up until June, so what has happened? For me I'm interested to find out where

we at on this, are we alluding toward making revenue to it or are we just condoning the use of it.

Chairwoman Pika Fejeran: Well, I think after the 1st of June we then take it up again, we can't go back in time, right.

Vice Chairman Joseph Cruz: I just want to know what happened, why are we extending them up to June again? What was the rationale?

Chairwoman Pika Fejeran: I know it came up in another meeting, in a previous discussion that they were cleaning out and they were almost all the way out. And then the Raceway I know that's been on the agenda previously and he's had a discussion with the Raceway folks.

Vice Chairman Joseph Cruz: I wish you would (inaudible).

Chairwoman Pika Fejeran: I think in the director's office, since come in.

Vice Chairman Joseph Cruz: But did we get any update as to where they are at with their calculation?

Chairwoman Pika Fejeran: I think the director made it clear that that's what we are waiting, that's what need.

Vice Chairman Joseph Cruz: I think I'm on the blind spot here so I'm just, it's alright.

Chairwoman Pika Fejeran: I appreciate that you bringing up these points because there are...you know there's so many things that the staff and the director are handling.

Vice Chairman Joseph Cruz: I understand that.

Chairwoman Pika Fejeran: and if we don't bring it up here together it's like you know the gentleman Cabrera that he wants his land, he wants his land but there's so many other priorities going on we can't just entertain that but I think this week he will get the oil and now you are bring up those points it's been made very clear to the director that these are on your radar, on our collective radar now.

Vice Chairman Joseph Cruz: Well, I'm sorry if I was, I didn't (inaudible).

Administrative Director Michael Borja: No, we'll get that information for you. Things have been done and things are stalled because of other reasons beyond our control but we will get you your report.

Chairwoman Pika Fejeran: I appreciate that we have all four of us here with the director. The next meeting will be June 15. Is there any planned absences?

Administrative Director Michael Borja: I just wanted to offer my condolences to Mrs. Santos for the passing of her husband. We miss his presence here as he always coming to our meetings and often times makes comments but a (paused).

Commissioner Amanda Santos: I saw a guy wearing blue...because he's always wearing blue.

Commissioner Pascual Sablan: So anyway, I make a motion to (inaudible) the mayor's office (inaudible).

Administrative Director Michael Borja: I tell you what, its best if we just put out a staff report with the full details of this whole thing. The land lots, the sizes, and (inaudible) to include the mayor's existing lands.

Commissioner Pascual Sablan: Who owns the coral pit we call that Eagle Football field, no?

Administrative Director Michael Borja: No. That's what this field is, right up against the pit. It's private. Perez's.

Chairwoman Pika Fejeran: Maybe we can wait until the staff report when we have all the information. This meeting is adjourn.

VIII. COMMISSIONER'S COMMENTS

IX. ADJOURNMENT

Chairwoman Pika Fejeran moved to adjourn the meeting. Commissioner Amanda Santos seconded the motion. Meeting adjourned at 3:45 p.m.

Transcribed by: Ruth Sakuma, Administrative Assistant: _____

Approved by Board motion in meeting of: June 15, 2017

Michael J.B. Borja, Administrative Director: _____ Date: _____

Chairwoman Pika Fejeran: _____ Date: _____

