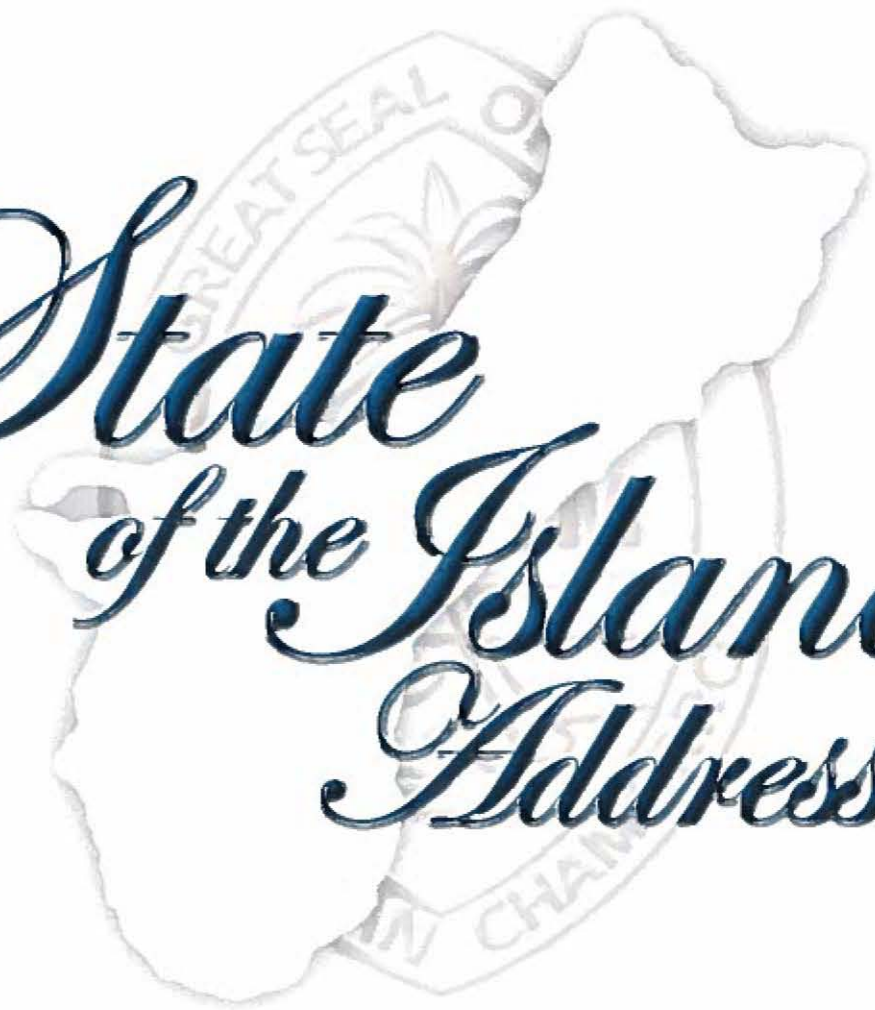




State of the Island Address

GOVERNOR FELIX P. CAMACHO

I MAGA'LAHEN GUÅHAN

Monday, February 21, 2005 • Session Hall, Liheslaturan Guåhan



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HIGHLIGHTS OF THE STATE OF THE ISLAND ADDRESS

I. A DECADE OF RECESSION IS FINALLY OVER

- a. Economy
 - i. Unemployment dropped by more than a third
 - ii. Gross Island Product is 20% higher than 2003, at \$3.1 billion
 - iii. \$2.5 billion in military construction in next 5 years
 - iv. Real estate transactions up 68%
 - v. \$15M in housing loans in 2004, another \$100M soon
 - vi. 1.1M visitors to Guam; goal for 2005 is 1.3M
 - vii. Investor and consumer confidence growing
 - viii. Retailers expanding and renovating
- b. Government
 - i. Airport runway and other CIPs infused \$102M into economy
 - ii. Restarted increments, supplemental annuities, doubled school busses, tripled ambulances, added 22 police cars, village streetlights on, returned 180 lots to original landowners, affecting 6,000 families
 - iii. GovGuam budget \$100M lower
 - iv. GTA sold
- c. Still face financial challenges: remaining unpaid refunds, EITC, Retirement Fund's unfunded liability, MIP, hospital budget

II. THE COMMUNITY HAS SHARED IN THE SUCCESS

- a. Renewed sense of stewardship in community
- b. Na La' Bonita Guam and coastal clean-up programs
- c. First Lady's ABC Project and bookmobile
- d. Roland Taimanglo's courage to fight for justice
- e. U.S. Marine Corps Sergeant John Gerber's determination to honor Marines

III. THE GOVERNOR'S VISION

- a. Cooperation is needed to continue success
- b. We must cooperate on basic issues:
 - i. Education: Building new schools, Commission on Teaching Excellence, Adopt-a-school
 - ii. Healthcare: Building new Regional Medical Center, finding funding for GMH
 - iii. Public Safety: Building new Public Safety Headquarters, putting more police officers in the neighborhoods
 - iv. Water: Must unify on efforts to privatize GWA
- c. Cooperation is seen throughout our island: local and federal government, the military, the private sector, the community
- d. We are working for the next generation
 - i. We must raise them with the values of our grandparents
 - ii. Set an example for them ... be good to each other
 - iii. We are blessed ... because of our people
- e. Let us remain united ... and we will fulfill our destiny

STATE OF THE ISLAND
GOVERNOR FELIX P. CAMACHO

February 21, 2005

Hafa Adai and Good morning. Before I begin, I would like to recognize and honor the families of courageous men... who paid the ultimate sacrifice in this difficult time of war. Today, before the people of Guam, we honor the families of:

- Ferdinand Ibaobao
- Jonathan Jose Santos
- Christopher Jude Rivera Wesley
- Jaygee Meluat
- Eddie Chen
- Skipper Soram
- Michael Aguon Vega
- And Steven Bayow

It is only fitting that on this President's day... as we commemorate the leaders of our great nation who shaped the principles we hold dear ... those of freedom,.. democracy,.. and opportunity for each citizen we also remember those who paid the ultimate sacrifice.. to uphold those very principles.

Mr. Speaker, Mr. Chief Justice, and all distinguished guests ... It is my honor to come before the people of Guam today to deliver this, my third State of the Island Address.

Members of the new 28th Guam Legislature, congratulations on your successful election, a clear mandate from the people: to cooperate, to work together... and to produce results. This election was no accident! Our people expect change, they expect success.

We are all in positions of authority, in the Executive, Legislative and Judicial branches, as public servants, to make a difference in the lives of our people.

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President George W. Bush said, "Use power to help people... for we are given power... not to advance our own purposes, not to make a great show in the world, nor a name. There is but one just use of power... it is to serve our people."

After 30 years of self-governance, the state of our island today is very evident. There is still so much to be done... but you cannot deny that things are getting better. There is optimism... confidence... and prosperity... in our island again.

But we must continue our work to ensure the needs of all our people are met. We all want it done immediately... but the work required of us cannot be done in a day... but over time... not through an event... but through a process...and it cannot be done alone. We must all unite and work together in order to succeed.

Progress is already taking place... just look how far we've come....

My dear people of Guam, I am here to report that... Hope has been restored! A decade... of recession... is finally over!

Guam's economy has stabilized... and is expanding for the first time in 10 years! In just the last two years, nearly 1,400 jobs were created in our community... unemployment has dropped by more than a third from when we first took office. Our Gross Island Product in 2004 was 20 percent higher than in 2003, at more than \$3.1 billion!

For the first time in our history, economic indicators show simultaneous growth in our island's two main industries – tourism and the military. We are on the verge of record-breaking visitor arrivals... and unprecedented military spending.

We continue to forge stronger ties with the military... embarking on the largest expansion we have seen in decades... Some \$2.5 billion in military construction projects and infrastructure improvements at Naval Station and Andersen Air Force Base are planned for Guam in the next five years.

Real estate transactions are up by 68 percent from a year ago... and total sales nearly doubled from 2002. Development is on the rise... as our people are once again able to buy homes or invest in other properties... And our island continues to prepare for the increase in military personnel and their families.

More than 15 million dollars in new housing loans were approved in 2004, and we are working with the Retirement Fund to bring 100 million dollars in investments back to Guam... providing even greater opportunities for families to build new, affordable homes.

This time last year, new construction permits were at \$6 million per month... by December, that figure doubled to \$12 million for 2005, we anticipate a record increase of nearly 400 percent to 21 million dollars a month.

In 2004 our island welcomed more than 1.1 million visitors to our shores, nearly 30% more than the previous year, equating to more jobs, increased business activity, and more money in the pocketbooks of our people. And this year we expect 1.3 million tourists... the most visitors our island has welcomed in a single year.

Investor and consumer confidence have returned and are getting stronger as our economy grows. We continue to foster new industries including transshipment, film, higher education, regional healthcare, telecommunications, arbitration, financial services and more!

Just last month, I met with executives from more than 60 large corporations from the Philippines interested in our island's economic potential, and in a few months, I will be heading a delegation to Taipei city to further promote our island. All of these investors understand very well the value and security of America in Asia – Guam U.S.A.

Our construction industry is in the midst of even greater growth. Retailers are expanding and renovating. DFS announced its largest capital upgrade in the world this year, a \$30

million renovation to its Tumon Galleria. Louis Vuitton will soon unveil its flagship store at the Tumon Sands Plaza. The Agana Shopping Center re-opened its doors with a brand-new look, new stores and restaurants, helping breathe life back into our capitol city.

Major road construction projects, including Phase II of the Tumon Redevelopment and North Marine Drive are complete. Our airport's runway expansion and other capital improvement projects are infusing more than \$102 million into our economy, opening up opportunities for more airlines to come into our island.

After two years, we have made great strides in restoring government efficiency and accountability to better serve the people of Guam:

- We've restored increments our hard-working GovGuam employees to help them provide for their families.
- We've restored supplemental annuities for our retirees to make life a little easier on them.
- We've nearly doubled our fleet of school busses so our kids can get to school on time.
- We've more than tripled the amount of ambulances, from six to 20 to ensure our emergency responders can get to you when you need them most.
- We've added 22 new police cars to help keep your street safe.
- Our village streetlights are coming back on again making our neighborhoods safer.
- And we've returned more than 180 pieces of property to original landowners affecting more than 6,000 families, people who finally received justice after decades, giving them the land they need to live on and putting that land to productive use for our economy.

We've held this government accountable for every dime it spends! From the new financial management system at DOA to the EBT cards for food stamps! We are cutting

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costs and finding innovative ways to eliminate unnecessary or excessive spending. We've reduced the cost of this government by \$100 million.

Privatization, outsourcing, and reorganization, concepts feared by politicians of the past, are embraced and put into practice by your Administration, so that we can deliver better service to each and every member of our community.

We have outsourced security, highway maintenance, cafeterias, information technology and abandoned vehicle disposal to private entities that can do the work better, faster and at a lower cost to taxpayers.

The last publicly-owned telephone company in the nation has finally been sold!

Under the new GTA, we will be getting the same services our friends and families in the states enjoy, bringing world-wide cellular service, wireless technology and 100 channels of digital TV, just to name a few.

For the first time in nearly a decade, our government is acknowledging its debts and paying them down. We made it our priority to pay more than \$143 million in tax refunds. We've collected more than \$66 million in delinquent taxes, restoring fairness and equality to the way government treats all our people.

But there's still much more to be done. We're not out of the woods yet. We have come a long way to stabilize the cost of this government, and enhance services to you, the people. But we still face serious financial challenges that this government does not have the means to pay: remaining unpaid tax refunds, Earned Income Tax Credits, the Retirement Fund's unfunded liability. Our hospital needs an additional \$11 million each year just to keep its doors open and MIP remains severely under-funded.

Everyday we will continue our work to address government debt, actual and anticipated revenue collections and expenditures. We will continue to assess Guam's capital needs to ensure that the funding is available to meet our growing infrastructure requirements.

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However, it is time that we take a realistic look at fiscal policy that has evolved over the years and needs to be reviewed and updated.

Throughout our island, we are also seeing a renewed sense of stewardship, people stepping forward to claim ownership of their community. When the beauty of our island was neglected, our people came out to restore the pride in our home with the Na La' Bonita Guam and the coastal clean-up programs. I am proud of the work you've done!

To Guam's corporate citizens and the countless individuals in our community who worked with the First Lady to make Project ABC such a success and for bringing our bookmobile back into our villages – thank you!

Our island's tourism partners, who have time and again, shown their commitment to the community! You continue to support our firefighters and police officers as they work to keep our island safe, Un dung'kulu na si Yu'us ma'ase.

Courage, determination, and an unyielding desire to make things right, this is the spirit of our people. People like Roland Taimanglo, who fought the government of Guam against what seemed like insurmountable odds... to provide greater accessibility for our physically challenged. But he persevered. Fighting for seven years, until he finally achieved his purpose. Last year, this Administration worked with Mr. Taimanglo on a plan to ensure all our public facilities, including sidewalks, meet A.D.A. requirements – Thank you, Roland Taimanglo!

You could see our people's unyielding determination in the actions of retired U.S. Marine Corps Sergeant John Gerber, who, walked the length of this island to bring awareness to his cause, and today, Marine Corps Drive truly honors those fallen Marines who played so pivotal a role in liberating our island. Sgt. John Gerber, we salute you!

Through these men and countless others in our community, we see the character of our people, the very same character that has always carried our people from adversity to opportunity!

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As we embark on this new year with hope and anticipation, I am encouraged by this Legislature's commitment to "Work together." This is not a new call for cooperation, but a sobering reminder that we are all responsible to work collectively toward the greater interest of all our people.

I look forward to doing the work of our people with leaders that share our vision of a government that is more responsive, one that runs on a budget based on realistic revenues and a realistic spending plan that fairly and equitably meets the needs of all critical services: healthcare, public safety and education.

While we may not always agree on the best solution, we must never compromise our responsibility to the people of Guam. We must never compromise our guiding principles, because we were not elected to make the popular decisions or the politically correct ones, but the right decisions!

I know that cooperation is achievable, it happens everyday in this government.

It's happening right now! When our schools were neglected, our community responded, businesses, government employees and individual citizens came together and answered the call with the Adopt-a-School program. Cleaning up the schools to ensure that they were ready for our children on their first day of school.

More than \$2 million worth of textbooks were ordered and in the classrooms on time.... for the new school year – something that hasn't happened for nearly a decade. Thank you D.O.E.

But our children need more. That is why we have teamed up with DOE to create the Commission on Teaching Excellence, and for the first time ever, education reform is being driven by parents, teachers and principals – the people who know best what needs to be done to teach our children better.

This is the start of something really special. We are changing the public education system from the inside – out, it's a transformation from the classrooms outward until the entire system is built around the needs of Guam's students.

The challenges in education are not unique to Guam, they are nation-wide. This week, our Administration and education officials will meet with other governors and education leaders from across America to address education issues that affect us all.

We've taken it a step further... we're building new schools!

Earlier last month, we partnered with a private company that will build the new schools and maintain them so that DOE can focus on the business of teaching our kids. We are now working with the AG's Office, the elected school board and the Legislature to finalize the lease.

Through this same concept, we can build a new Public Safety Headquarters, with a modern forensics lab. We are also putting more police officers into our neighborhoods to make our people feel safe again.

Cooperation is necessary as we move forward with plans to build a new, state-of-the-art Regional Medical Center for our island. We recognize that building a new hospital won't solve all our problems, but it is a step toward providing the quality of healthcare our residents need and can believe in right here at home.

We have already made great strides to improve services at our hospital, cutting the shortage of registered nurses by half... in just two years. We continue to work with the University of Guam, the Guam Community College and the Guam Memorial Hospital, who are training students to become licensed practical nurses to help ease the shortage with locally trained and hired nurses. Last year, we hired an OB/GYN to work exclusively at the hospital, but it is only a start. This year, we will hire hospital-based physicians for surgery, pediatrics and adult medicine.

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When we came into office, we provided \$1.5 million in funding to the hospital, in addition to their budgeted amount. That was not enough! Last fiscal year, we gave \$5.1 million to GMH for medicine and supplies. That was still not enough! In the first four months of this fiscal year, I dedicated \$2.2 million in compact impact funds. That will not be enough!

We must identify a consistent source of funding for our hospital, that is why I have called for a roundtable discussion with the Legislature, hospital administration, doctors and other medical professionals to discuss not only the problems we all know about but the solutions our people need. We've all taken an oath to care for our people. It's time to put our differences aside, roll up our sleeves and get the job done.

We have seen cooperation between agencies and the private sector, creating career opportunities and better jobs for our people. Today, AHRD is working with GPA to train and certify its employees through apprenticeship programs.

Just last month, GEDCA re-established its micro-loan program to support our island's local entrepreneurs and small businesses. In March, we will be bringing together local businesses and active investors in an economic development conference to strengthen the viability of our island. Our goal is to create an investment friendly environment that minimizes government bureaucracy and maximizes support of private sector growth.

Over the past nine months, we have worked closely with all nineteen mayors to identify the village roads in need of repair. We will now work with this Legislature to reprogram \$22 million in unexpended highway bond money to fix roads that have been neglected for many years.

Our efforts at cooperation have not stopped at the local level, we continue to work closely with the Department of Interior to heighten awareness and renew interests from U.S. and foreign investors into our island.

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We have worked closely with Congresswoman Madeiline Bordallo and the Guam Chamber of Commerce to get the message out in Washington D.C. that Guam is ready for more military presence. And the message has been heard. Our close relationship with the Bush-Cheney Administration and the Republican Majority in Congress will reap benefits for all our people.

Today, we join forces with our military partners to draft a comprehensive master plan to improve Guam's infrastructure capacity, supporting the needs of both our nation and our island. Together, the Navy, Air Force and GovGuam are coordinating efforts as we plan capital improvements to our island and seek additional federal funding to do so.

The most critical quality of life issue our island faces today and for years to come is water. Let me share with you the magnitude of the situation we face, the reality is we have system that is almost 60 years old and today, Guam Waterworks must borrow \$200 million just to meet federal EPA requirements. But to get the system to where it needs to be will take additional \$400-600 million. We will never relinquish our rights over water but we must restore its delivery to our people. Today, I am calling for the privatization of the Guam Waterworks Authority, in part, or full.

In order to succeed, we must be unified in our goal to provide every house on this island with clean and reliable water. And I urge the Legislature and the CCU to stand with me.

As leaders, there is one thing that we cannot delegate and that is responsibility! Responsibility is our duty to make and keep commitments to resolve the problems of today for the generation of that follow.

Our progress can be measured by the importance we place on that next generation... the example we set for our children, but more importantly the value we place in our children because our success today is no good if our children are not equipped for tomorrow.

It is our obligation to raise a generation of children that carry on what our grandparents valued, but that can only happen if we also uphold those same values. Not just with our

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words but in our actions, not just as leaders but as parents, not just as government but as a community, not just in our agencies and schools... but in our homes.

Let us, today, commit to be good to one another to treat each other with respect and dignity. Let's show our children that there is real value in respecting each other.

Guam is truly blessed – a special place because of its people, people who have always took pride in being part of a community – people who have always valued family, friends and neighbors. As we continue to plant the seeds of prosperity, we must also endure the seasons of preparation.

Let us renew our passion to serve. Together, let us find a way to realize the goal and enable all to succeed. By together, I mean all of us: local and federal government, the military, the private sector, the community.

We can achieve so much in our generation. We must navigate our course to fulfill our call, our destiny.

As we look to the future... united in our commitment to fight the good fight, finish the race and keep our faith... let us finish strong!

This is my prayer for the people of Guam...

Father, unite our hearts that through love we might serve one another. That you may continue to rain down your prosperity and kindness upon our island...

This is our time... our call to action, but more importantly our duty to our community, our children, and our island. Si Yu'us Ma'ase, thank you, may God continue to bless you – may you go in peace.

STATE OF THE ISLAND – SUPPLEMENTAL REPORT

GOVERNOR FELIX P. CAMACHO

EDUCATION

Department of Education

- The School Recovery Task Force ensured that our children were in the classrooms learning, on time. The Task Force started work on July 19 and identified 3,380 projects to open the schools. When the schools opened less than a month later, 74 percent of the projects were complete, enough for the schools to be ready for their students. The Task Force pulled from employees at the Department of Public Works, Department of Parks and Recreation, Guam Housing Corporation, Guam International Airport Authority and Guam Telephone Authority, saving DOE more than \$218,000 in manpower costs.
- The Task Force was able to contract major repairs in the schools, including the Simon Sanchez High School roof, the B.P. Carbullido Water Storage Tank, Luis P. Untalan Middle School sewer connection and Southern High classroom air-conditioning. The Task Force also used emergency procurement to install portable toilets and water storage tanks at six elementary schools, two middle schools and Southern High to eliminate the need to close schools due to water shortages. The Task Force also gave DOE its recommendations to improve school maintenance and policies and procedures for responding to Public Health and fire inspection reports.
- At beginning of school year 04-05, DOE outsourced 10 school food service operations. DOE anticipates an annual savings of \$1,603,325 as a result.
- Playground equipment was provided to two public elementary schools as a result of a Community Facilities Grant award from USDA Rural Development and matching funds from IT&E Overseas Inc. and DFS Guam via the First Lady's Hope Foundation. DOE has received an additional grant award from USDA Rural Development for playground equipment for five other schools. Matching funds are being coordinated with the First Lady's Hope Foundation with the Laguna Association of Guam. Total cost for the playground equipment inclusive of matching funds is \$109,400.
- DOE has continued to implement programs funded under the No Child Left Behind Act, Public Law No. 107-110. The program is designed to increase student academic achievement and improve the quality of education for all students.
- Resolution to DOE's High-Risk Grantee status: DOE continues to make progress as it works to address its challenges and meets the special conditions set forth by U.S. DOE. As a result of DOE instituting corrective actions to address the findings related to fiscal accountability of federal funds, U.S. DOE informed the Governor on Sept. 30, 2004 that the 50% draw down limitation was lifted.
- To increase student participation in the school breakfast and lunch program, DOE has developed the School Meal Initiative program. The program focuses on healthy food choices and nutritional education for public school children.
- DOE has expanded the USDA Emergency Food Assistance Program to include the island's homeless via the Guam Homeless Coalition. Island residents who are homeless will be provided free food commodities under this program via the Coalition.
- The Office of the Governor, the Guam Police Department and Guam Fire Department have joined DOE to develop a district-wide Safe Schools Action Plan to address school crime and violence. The objective is to develop and maintain safe schools. In addition a Safe Schools Advisory Council was established.

University of Guam

- Opened the University of Guam Cancer Research Center, a \$3.6M planning grant in partnership with the Cancer Research Center Hawaii funded by the National Institutes of Health. This grant funds research into cancer incidence within minority populations and encourages Pacific Islanders to pursue careers in cancer research. Three UOG graduate students received scholarships to fund their master's degrees and pursue cancer research while working with mentor professors.
- Began site work construction on the Jesus S. and Eugenia A. Leon Guerrero School of Business and Public Administration Building, a \$13.5 million project funded through a USDA loan. The new facility will support business education, small business development and economic development for Guam and the region.
- Most recent audit shows the University generated \$33 million from its own operations. Revenues from auxiliary funds, tuition, and grant sources comprised 53% of total operating revenues. For every dollar invested in the institution, the University generates an additional \$1.20. Net assets increased by \$2.5 million.
- 394 individuals graduated with bachelor's and master's degrees in Academic Year 2003-2004 increasing UOG alumni to 10,000+. Increase in new students for the second consecutive year.
- The University remains affordable and competitive with students paying 45% less than those attending U.S. public universities.
- University Nursing graduates received 100% first-time pass rate on the nursing licensing examination underscoring the academic quality of the Bachelor's of Nursing Program at UOG and ensuring qualified graduates provide our families with superior care. The national benchmark is 75%.
- UOG became a Truman Honor Institution in 2004 joining an elite group of 50 universities that have received this designation. The University has produced four Truman scholars in the last five years.

New Grants

- \$240,000 for the Nursing program through the Omnibus federal spending bill.
- The University will share in \$500,000 of federal spending to support teaching, research, student scholarships, and classroom equipment.
- A four-year, \$800,000 grant to fund a Master's program in Speech and Language Pathology in partnership with UOG CEDDERS and San Jose State University. Scholarships are available and the program begins in 2005. Graduates will fill critical vacancies within the Department of Education and other service areas.
- \$100,000 proposal to initiate a Sea Grant Program at the University of Guam. The mission of the University of Guam Sea Grant Program is to optimize the sustainable use of the ocean's resources, to protect the delicate ecosystems that exist and to prevent any hazards and degradation of the natural resources through research, education, and advisory support; to increase our understanding of the balance of sustainability and protection of the environment that exist within the Western Pacific region.
- The University of Guam's Biology Lab will have 25 microscopy workstations in Spring 2005 thanks to a \$298,000 three-year grant from the federal Dept. of Education's Minority Science and Engineering Improvement Program (MSEIP). Each workstation will be equipped with a compound microscope and a lower-power stereomicroscope (dissection microscope), and have Internet access from a computer between adjacent workstations.

Renewed and Continued Grants

- \$10.6 million for the University of Guam and the University of California, San Diego Consortium five-year grant to study age-related neurodegenerative diseases in Micronesia.
- Upward Bound received \$323,118 in funding for FY 2004, bringing the five-year grant total to more than \$1.8 million dollars.
- \$1.5 million five-year federal grant for the University's GEAR UP program, which encourages students to stay in school and pursue post-secondary education.
- \$1.5 million Guam Dual Certification in ESL Project, funded by Title III English Language Acquisition: National Professional Development Program, for approximately \$300,000 each year for five years, netting about \$1.5M towards professional development for Guam teachers and school aides.

Guam Community College

- **Prometric Testing Site:** Prometric is a computer based testing and assessment service that allows individuals from academic, professional, government, corporate and information technology to take international certification exams anywhere in the world. Being a Prometric Testing Site, GCC becomes an important player for Guam's workforce to achieve internationally recognized certification for Cisco System and Microsoft products and services along with other important technical advancement certifications.
- **Culinary Arts Program:** In spring 2004, GCC started its 1st cycle of students in the newly configured curriculum of the Associate of Arts program in Culinary Arts. The program is operated as an academy in which all participating students attend classes in a cyclical manner for two years. At the of the program's second year, these students earn not only their degree but also placement in some of the finest restaurant kitchens on island. Students on Guam had to go off island to obtain an Associate of Arts Degree in Culinary Arts. Today, our students now have a choice to either stay on Guam or go off-island to gain the knowledge, training and skills to be a Comis-Chef, Demi-Chef, Chef de Parti, Sous Chef, Executive Sous Chef and eventually an Executive Chef.
- **Liberal Arts Program:** Allowing students to obtain a Liberal Arts Degree, in spring 2004, GCC added this program to its academic programs. The Associate of Arts Degree is designed to provide our students with a stronger general academic foundation to meet a growing workforce demand for generally prepared employees, and to provide a pathway to a four-year college for students who require an alternative entry point.
- **Capital Improvement Projects:** In FY2004, the College engaged in capital improvement projects totaling over \$3 million. Some of these projects include the Multi-purpose Building, the Technology Center, remodeling of the Student Hub, Energy Efficient Rooms for Building A, B, C and D, Replacement of Temporary Buildings, Renovating Building 600, Upgrading Outside Lighting System and Campus Signage.
- **Financial Status:** GCC is one of the only Government of Guam agencies qualified as "low risk" by Deloitte & Touche and accepted by Guam's Public Auditor as defined by OMB Circular A-133. The College will continue to ensure that its financial accountability meets the standards reviewed and accepted by the Public Auditor.
- The completion of the Multi-purpose Building and the Technology Center will bring new opportunities to GCC's academic and professional offerings for Guam and the other islands of Micronesia. State-of-the-art equipment that will be housed in each of these new facilities
- GCC will complete an extensive master plan, including the Facilities Master Plan will include Capital Improvement Projects to enhance as well as advance GCC's mission as a leader of Guam's workforce development. This master plan will also include the development of the 314-acre property we have in Pagat, Mangilao.

Guam Public Library System

- GPLS applied for and was awarded a grant from the USDA for books and materials for its youth literacy programs.
- **Bookmobile:** Through public-private partnership, the repair of the Bookmobile was sponsored by Matson. South Pacific Petroleum (76/Circle K) agreed to sponsor fuel for the vehicle. The Bookmobile reentered service to the community on October 11, 2004. The Bookmobile Foundation (founded by the First Lady of Guam, Matson and South Pacific Petroleum) was created to raise funds for the operational expenses of the Bookmobile.
- **Summer Reading Program:** This annual eight-week long program consists of various activities that encourage reading during the summer.
- **Saturday Story Hour:** Hundreds of the island's pre-school and elementary age children participated in this two-hour program consisting of storytelling and craft projects that encourage reading at an early age and develops listening and reading skills and encourages motor development.
- **Information Highway for the Elderly:** A series of computer and Internet training sessions for the island's elderly were held from February through June.

Guam Educational Telecommunications Corporation (KGTF)

- Awarded a new \$500,000 grant from the Corporation for Public Broadcasting to digitize the station with a tower upgrade and purchase of new digital antenna. Grant will enable KGTF to be the first television station on Guam to go completely digital by 2nd quarter 2005.
- Upgraded production department with the purchase of the latest digital editing equipment complete with training to certify KGTF's entire production staff.
- KGTF aired live the complete production of Guam's 60th Liberation Day Parade commemorating the island's 60th anniversary of Liberation.

PUBLIC SAFETY

Guam Police Department

- Promoted GPD officers for the first time in seven years, providing steady leadership throughout the department so that the police force can serve the community more efficiently, and making room for new recruits.
- Fostering of the Governor's policy of transparency in government by enhancing the public/private relationships between the Guam Police Department and private businesses. This was a direct catalyst to the renovation of Building 231 in Tiyan, which houses the Records and Identification section, the renovation of Building 235 in Tiyan, which will house the new Evidential Control section, the completion of construction and grand opening of the new Tumon/Tamuning Precinct, as well as numerous other improvements
- The confidence that is placed in a Police Department by the general public is of paramount importance in relation to the level of self policing that is desired of the community. Some of the improvements that have been made throughout the Department in the past year, which have directly enhanced the people's confidence are as follows:
 - Public accessibility to the Chief, and transparency in most operations within the Guam Police Department.
 - The establishment of Cop Talk, a weekly call-in show on a local radio station, which receives calls from the general public on all topics, including those that are Police related.
 - The procurement of new Police Vehicles and Motorcycles that allows for better saturation and Police presence on the roadways and villages.
 - The heightening of morale, by promoting and hiring of personnel, as well as the improvement of facilities, equipment, and quality of life in the workplace.

Guam Fire Department

- Recruitment of eleven (11) Emergency Medical Dispatcher for the E911/Communications Bureau
- Emergency Medical Technician recertification for all firefighters
- Relocation of GFD Headquarters
- Procurement of three (3) fire trucks and eight (8) ambulances utilizing 1.75 million dollars of compact impact funds. This is the first procurement of fire trucks for the last twelve (12) years.
- Twenty-seven fire recruits will graduate in May, bringing total force of medics, emergency response personnel and firefighters to 304.
- Consolidation of the Fire Suppression Bureau and the Emergency Medical Services Bureau to maximize personnel resources due to extreme shortages of manpower.
- Reduction in working hours and paid hours for all firefighters resulting in the savings of over \$400,000 per year. The savings realized reduced the funding shortage of GFD for Fiscal Year 2003 from \$1.3 million dollars to \$900,000.00.
- Updating/revamping of GFD's antiquated Rules & Regulations and Standard Operating Procedures
- Approval of over \$1 million dollars worth of project worksheets by FEMA for Typhoon Pongsana damages
- The completion of Inarajan Fire Station and the arrival of a new fire truck for this particular fire substation
- The reviving of GFD's Home Safety Inspection Program. This particular program was introduced since the existence of the Fire Division but were ceased in 2001. The program calls for GFD to provide courtesy Home Safety Inspections to the citizens of our island. Upon approval/request of the homeowner, GFD conducts the inspections and identifies fire hazards.
- GFD launched its first ever Community Training Program. This program involves the training of citizens in the villages in CPR and Basic First Aid. Prior to this program being implemented, training was only made available to businesses, private organizations and government agencies. Villages involved in the training to date includes, Inarajan, Merizo, Umatac, Talofofo and Agat.

Office of Homeland Security/Office of Civil Defense

- Merger of the Recovery and Mitigation Offices with Civil Defense, bringing all the components of emergency management (Preparation, Response, Recovery, and Mitigation) under one roof.
- The establishment of the Community Emergency Response Team (CERT) Program on Guam. In 2004, over 250 individuals in the community were trained in CERT, surpassing the mandated numbers provided by DHS. Guam has more community members per capita trained in CERT than any other jurisdiction in the nation.
- Pursued and worked with FEMA on waiving the insurance requirement for Typhoon Chata'an and Super Typhoon Pongsona projects estimated below \$53,000. The non-requirement for insurance for these projects amounted to the release of over \$3,000,000 of FEMA funding for much needed typhoon repair and equipment replacement.
- Successfully negotiated with FEMA on the closeout of the Typhoon Paka bus shelter project and reducing the project de-obligation from \$1,200,000 to \$400,000.
- Coordinated the settlement of the Guam Power Authority's appeal to FEMA for recovery costs from Typhoon Paka in the amount of \$9,000,000.
- Secured \$34,000,000 from FEMA for Hazard Mitigation Projects that include:
 - Underground placement of power lines from Dededo power plant to Guam Memorial Hospital.
 - Address storm flooding problems in villages.
 - Installation of typhoon shutters at Mayors' offices and various community centers.
 - Hardening of radio repeater and transmission sites.
- The establishment of the SARS Response Plan. Chaired a coordination and focus group with various agencies, the Guam Hotel and Restaurant Association, and the Center for Disease Control to develop and exercise a plan to deal with a suspected or confirmed case of SARS on Guam.
- Created and coordinated the Adopt-a-School Program to foster relationships between the Department of Education schools and government of Guam agencies, civic organizations, and local businesses. The program has assisted the Department of Education in the cleaning and maintenance of the schools in preparation for and throughout the school year.
- Coordinated and conducted various natural and man-made disaster drills within and between agencies to develop or enhance each agency's efforts to prevent, respond, or recover from a catastrophic event.
- Assisted agencies in the development of emergency response and continuity of operations plans. These plans will provide agencies the guidance to effectively respond to an emergency directly affecting their organization and provide a contingency should there be a need to operate out of an alternate location.
- Created the Unified Bomb Incident Response Plan that defines the roles and responsibilities of agencies in responding to a bomb threat, bomb scare, or actual bombing incident.
- Established the Homeland Security Strategy Focus group comprised of representatives from agencies with response or critical operations responsibilities. This group assists in identifying agency planning, training, equipment, and exercise needs for preparing, preventing, responding to, and recovering from a natural or man-made disaster.
- Coordinated and provided 62 sessions in various weapons of mass destruction courses to 5,227 Government of Guam, private sector, and military personnel. This robust and aggressive training effort has been recognized by the Department of Homeland Security's Office of Domestic Preparedness and is encouraged as a model for other jurisdictions.
- Conducted a full-scale terrorist chemical attack that tested our current capability to respond to such an incident. The exercise was a multi-agency between local and federal entities and involved over 500 participants, evaluators, and controllers.

Department of Corrections

- Reduced recidivism of inmates from 50 percent down to 26 percent with focus on rehabilitation. Graduated 257 inmates from treatment and rehabilitation programs and 38 from substance abuse program.
- Reduced institutional violations by 14 percent through rehabilitative programs and enhanced security measures.
- DOJ resolution: 95% of DOJ issues have been resolved, including a \$300,000 Department of Interior grant to resolve the fire sprinkler system.
- Outsourced several systems: generators (savings of about \$30,000); Galley Food Operations (savings of about \$2.5 million); and Inmate Phone System (about \$10,000 in annual revenue projected). In addition, continued outsourcing of medical, dental and psychological services have an annual cost savings of about \$8.5 million.
- DOC Community Service inmates and parolees saved the community an estimate \$2.2 million by performing community service in roadways, government offices, schools, parks and cooperative agreements with private entities.
- Facility renovated and repaired through private, military and federal donations. Refurbished entire existing facility in painting, electronic, electrical and construction repair, government more than \$300,000.
- Approximately \$4,000 worth of donations funded repairs to existing surveillance cameras, at no cost to government.
- Established Special Operations Response Unit that provides emergency operations for potential escapes, riots and other inmate incidences.
- Refurbished former housing unit using federal funding and inmate labor for a temporary Residential Substance Abuse Treatment building.
- Constructed an employee gym from donations and salvaged material, saving about \$75,000 in labor and construction costs.
- Began monthly Leadership Development Program where established leaders from within the community provide leadership principles and experiences to model.
- Re-established Freedom Bound Choir that participates with religious organizations throughout the island to further perpetuate Restorative Justice Principles and community re-integration.
- Worked with Department of Agriculture to establish an Organic Farm, where inmates are taught agricultural principles and techniques in farming.
- For the first time, DOC established treatment programs for inmates in the maximum and administrative segregation units.

Customs and Quarantine Agency

- Generated a surplus of \$3.93 million in revenue and grants.
- Consolidated services by merging all Plant, Protection and Quarantine Inspectors into the agency, resulting in projected lower costs to the public.
- Expanded law enforcement services, through grants from the National Oceanographic and Atmospheric Administration (NOAA). Also secured grants from U.S. Department of Agriculture and the Edward G. Burn Memorial Grant.
- Working to privatize and outsource legal services, accounting and bookkeeping services, evidence disposal and incineration services, fuel services, solid waste services and maintenance services for vehicles, firearms, communications, computers, etc.
- Hiring an additional 10 Customs Officer Cadets.

Guam National Guard

- Significantly contributed to economic welfare of island with over \$31.9 million in salaries and benefits to its Soldiers and Airmen, construction projects, and contracts to local vendors.
- Guam National Guard support to law enforcement agencies resulted in seizure of \$1.85 million in drugs.
- Deployed military intelligence detachment and transportation squad to Iraq; deployed infantry to Horn of Africa; deployed Air National Guard Civil Engineer Squadron to Korea.
- Established Weapons of Mass Destruction team, authorized by Congress, consisting of 22 full-time Army and Air National Guard members. Approximately \$4 million to be appropriated to field this team.

Department of Youth Affairs

- Provided counseling services to 547 clients who were admitted to the care and custody of the department.
- Aftercare Program, a six to twelve month intensive monitoring program, has handled an average caseload of 95 clients per month. The success of this year's program shows less than 5% of juvenile offenders released from the youth correctional facilities have returned while under the Aftercare Program.
- Successfully implemented a School Shadowing Program to track released clients in all high schools.
- Relocated southern resource center from Talofofo to the village of Agat, due to higher client population from Agat.
- SCORE Program: presentations were conducted at the various schools, reaching approximately 1,400 students. Provides awareness on the realities of living in a correctional institution, the Family Court and juvenile laws and consequences.
- Summer Youth Employment and Training Program: Collaborated with AHRD to give nearly 600 students from all over the island experience and knowledge in the workforce in the three-week program.
- Plans to expand services by building a new school and renovating the GPD and Fire station in Dededo to centralize the northern resource center.

HEALTH

Guam Memorial Hospital Authority

- **Governor's Healthcare Summit:** Brought together key health care stakeholders and identified critical needs for GMHA; additional capacity to meet the needs of Guam's current and future population, the need for on-going subsidies, the need for expanded services to counteract the off-island drain of healthcare dollars and patients, and the need for innovative approaches to health care organization, delivery, and financing .
- Clinical staff shortages addressed by assisting new RN graduates review for the difficult NCLEX class, and development of an LPN training program in conjunction with UOG and GCC.
- Hired 1 OB/GYN Hospitalist, surgical and adult medicine Hospitalist to be in place March – April. Private sector doctors burdened by high levels of uncompensated care, as is GMHA. A Hospitalist focuses entirely on inpatients. Model now in use by many other facilities, and PacifiCare.. Benefits to GMHA and patients include improved outcomes, shorter length of stay, lower costs. Current OB Hospitalist is attending 40% of all births at GMHA.
- Medical Staff Recruitment of: 2 anesthesiologists, 1 Certified Registered Nurse Anesthesiologist, 1 infection control nurse, 3 medical interns, 1 OB Hospitalist, 1 General Surgeon Hospitalist
- GMHA has reduced its days revenue in accounts receivable for commercial payers to Mainland Standards; less than 60 days.
- GMHA has posted a positive operating margin for the past 6 months. A positive operating margin is a benchmark for future debt financing.
- GMHA has added key staff essential for the ongoing improvement of care; a revitalized infection control program headed by a registered nurse, a revitalized quality improvement and performance improvement program.
- GMHA has outsourced or privatized its Housekeeping and Security services, resulting in improved cleanliness, infection control and patient security.
- The hospital has also outsourced its ground keeping efforts resulting in fewer staff and lower exterior maintenance costs.

Department of Public Health and Social Services

- Implementation of the Electronic Benefits Transfer Program which essentially replaced the paper food coupons issued to eligible participants in the Food Nutrition Program with the Guam Quest Card which allows clients to purchase food by swiping a card much like a credit/debit card. Also, clients can access their Cash benefits through the same card. Guam was able to beat California in rolling out its EBT program.
- Implementation of the MIP Reform Law which requires MIP clients to receive their primary medical care through the Community Health Centers located in Dededo and Inarajan. The impact is that approximately 9,000 individuals are eligible for MIP. These individuals are being seen at the two centers, relieving the challenges posed by private practitioners refusing to accept them because of the government's inability to reimburse them in a timely manner.
- Awarded several grants from GHURA for the renovation and/or construction of the following Senior Citizen Centers: Sinajana, Merizo and Santa Rita.

Department of Mental Health and Substance Abuse

- Awarded federal grant of nearly \$1 million to develop state-wide strategic plan for the prevention of substance abuse, subsequently leading to another grant in the amount of \$5 million for a five-year period to implement a comprehensive plan. The effort will be community-wide, including government agencies, community leaders and non-profit organizations.
- **I Famagu'on-ta:** Along with key stakeholders and families under a \$9 million grant, developing the infrastructure to provide services for children with serious emotional problems and who are having extreme difficulty concentrating during school.
- Opened a center named Rays of Hope, providing therapeutic day treatment, respite care and intensive home-based services.
- Opening a Therapeutic Group Home.
- Executive Order to ensure that every effort is made to provide resources necessary to ensure that the disabled community is fully integrated into the community rather than being institutionalized.

Department of Integrated Services for Individuals with Disabilities

- DISID and DVR are working to get the Division of Vocational Rehabilitation off the High Risk determination that the Division has been on since 1995. It is doing this by case management enhancements, programmatic corrective actions, accounting reports and reconciliations.
- Progress has been made with the Inadanna Para Tinilaika – Partners for Change Grant. An advisory committee has been meeting since last year in October, the new process of individualized budgeting that will result in a Pilot Project of consumers actually implementing the individualized budgeting process which is a shift from Agency-Centered Delivery of Service Systems to a Consumer-Centered Delivery of Service Systems. The Advisory Committee of consumers is developing the Individualized Budget Program to finance this shift.

Guam Environmental Protection Agency

- Establishment of the Information Services Branch and 100% federal grant funding to support comprehensive automation and information management and exchange system.
- Guam EPA launched in FY04 a continuing multi-year environmental management information systems readiness initiative covering the next five years under competitive USEPA NEIEN (National Environmental Information Exchange Network) federal grants.
- The Agency steadfastly organized and has dedicated staff tracking and implementing provisions called for by the two complex and challenging federal court orders stemming from USEPA complaints.
- Work on a new sanitary landfill and commensurate regulatory closure of the Ordot dump is substantially on track and schedule.
- The Agency has effectively administered the first year's budget of a newly adopted two year budget cycle that for the first time de-linked from the General Fund, relying instead on consolidated and competitive federal grants (85%) and dedicated local special funds (15%).

ECONOMY AND FINANCE

Federal Funds

- After factoring for one-time infusions of federal funds due to Typhoons Chata'an and Pongsona, the total amount of federal funds Guam received are as follows:
 - FY01 \$155,210,555
 - FY02 \$183,930,714
 - FY03 \$204,180,029
 - FY04 \$211,072,203

Guam Economic Development and Commerce Authority

- Revenue management produced \$270,000 in cost savings, \$500,000 in federal grant from the Administration for Native Americans for a Guam Medical Residency Program, and \$700,000 from the sale of a Dry Dock which generated \$1.4 million in funds used to write off \$400,000 in bad debts, the balance for economic development initiatives and healthcare improvement.
- GEDCA Micro Loan Program launched making \$1 million available for small businesses, designed to provide lending to smaller, start-up companies.
- Facilitated over \$246 million in financing for the Guam Airport Authority and the Guam Power Authority.
- Identified \$21 million in excess Highway Bond funds to be re-programmed for repair and replacement of roads and highways.
- Consummated Tax Credit Programs for the Paseo Stadium and Soccer Stadium projects that will provide \$2.5 million in funds for Paseo Stadium restoration and construction of a new Soccer stadium.
- **Arbitration:** This administration remains focused on capitalizing on progress made during this term. With the passage of the Guam Arbitration and Mediation Law in February 2004, efforts are under way to raise awareness of services Guam can provide in the arbitration and mediation arena, not only internationally but locally. In September 2004, the governor signed an Executive Order incorporating an arbitration clause in all government of Guam contracts.
- **Captive Insurance:** In 2004, the administration undertook efforts to improve Guam's Captive Insurance product with Public Law 27-54. With this law, Guam is able to market effectively to Japanese companies looking for a location for their insurance companies. With monies received from the Department of Interior, GEDCA is developing new marketing strategies not only for Japan but also for other Asian countries capitalizing on our captive insurance program.
- **Other industries:** GEDCA is actively pursuing programs to develop new, quality-job producing industries for our island to diversify our economy. We are pushing forward with the development of the Regional Distribution Center initiative, marketing Guam as a viable option for U.S.-based retailers for consolidation and clearance of cargo from Asia. We are also making great headway in the development of the Regional Back-Office Support Center initiative, marketing Guam as a viable option for U.S. companies with operations in Asia.
- We also have revived marketing of the Guam-based Trust initiative with renewed marketing efforts in targeted Asian countries primarily as a result of growing interest from those areas.
- In March of this year, we will hold the 2005 Guam Economic Development Conference, a mid-term review of economic recover progress since the launch of my Economic Recovery Plan almost two years ago. Both public and private sector representatives will meet to discuss existing and new economic development programs.

Guam Visitors Bureau

Visitor Arrivals

- In 2004, we welcomed 1.15 million visitors to our island, a 32% growth from 2003 and a 10% increase over 2002. The arrival numbers exceeded the Guam Visitors Bureau initial forecasted figure of 970,000.
- Visitor Arrivals Goal in 2005: GVB's visitor target in 2005 is 1.3 million.

Beautification & Maintenance

- GVB partnered with other agencies, notably the Departments of Public Works and Parks & Recreation, to beautify and maintain the island's major public parks and tourism infrastructure in the core tourist economic zones. These included outsourcing of services for:
- Regular cleaning and maintenance of beaches along Tumon and East Hagåtña Bays.
- Maintenance and cleaning of the entire landscaped and completed Phases 1 and 2 of the Tumon Area Redevelopment & Beautification Project jointly with DPW.
- GVB is also one of the key partners in the multi-agency taskforce that spearheads the "Island Pride" campaign to instill environmental awareness and ownership among Guam's youth. With a grant from the Guam Coastal Management Program, GVB is creating a public educational program for visitors and local residents about the Tumon Bay marine preserve.

Cultural Identity

- Exit surveys of GVB's Japanese tourists show that our visitors frequently seek a more enriching cultural experience when on Guam. GVB initiated "Maila ya fan ta Boka" (Come & Let's Eat) cooking competition in March 2004 as the first in a series of activities to kick-start GVB's program to heighten awareness of Chamorro food among visitors.
- This was followed by the development and introduction of a food icon that was distributed to restaurants that serve Chamorro food to indicate the Chamorro dishes in their menus. This activity formed part of the "Summer Cultural Institute" introduced during the 8th Guam Big Summer Festival to foster Guam's cultural identity. GVB launched the "Cultural Institute" as a free program to train hotel personnel in Chamorro dance, songs and arts and crafts demonstrations so that they, in turn, can stage what they learned at their properties to entertain guests.

Sports Tourism

- In January 2004, we welcomed the Yomiuri Giants professional baseball team when they came to Guam for their preconditioning training camp. The Giants attracted over 120 media, which created a huge impact for Guam with over \$30 million in media coverage in our largest market, Japan. This is a notable success in accomplishing good PR exposure for tourism and for Guam.
- The GVB Sports Tourism Standing Committee, although only a little over a year old in existence, has reaped other successes since the Giants' visit. We've welcomed in 2004:
 - Professional soccer teams from Japan
 - The Japan National swim team and Japan's National women's synchronized swim team
 - Japan Olympic women's softball team
 - The 8th World Tenpin Bowling Youth Championships (28 countries participated)
 - The East Asian Football Federation Under 14 Youth Tournament (with teams coming from as far as Mongolia)

Marketing Activities

- GVB followed on Governor Felix Camacho's 2003 China visit by participating in the Guangzhou International Travel Fair (GITF) in March 2004 and at the China International Travel Mart (CITM) in Shanghai in late November 2004. The GVB mission met with officials from the U.S. Department of Commerce while in Shanghai. Commerce Deputy Assistant Secretary Douglas Baker chaired a U.S. Travel/Tourism roundtable that was attended by GVB and U.S. travel-related businesses including American Express, Northwest Airlines, Nevada Department of Tourism, JW Marriott Hotels and the Ritz Carlton hotel chain. Baker encouraged GVB to continue its efforts to make its presence known in the China market even though the ADS position is pending.

- GVB also led a sales mission to Busan and Daegu, Korea's second and third largest cities in the south in September 2004, to promote Guam to travel agents in anticipation of the new direct air service by Korean Air. The new service between end December 2004 through mid-February 2005 is expected to add 5,054 seats from the Korean market. At the Busan International Travel Fair in late October, Guam's cultural performers "Hafa Adai Show" won awards for Best Publicity and Best Folklore and Cultural Presentation.
- GVB's presence at the 2004 Japan Association of Travel Agents (JATA)/World Travel Fair annual show was one of the largest in recent years. Guam enticed the rebounding Japan travel market with food and flair by opening a kitchen and having a cultural stage at the Guam pavilion. About 38 GVB industry partners representing 19 tourism-related companies on Guam exhibited within the Guam pavilion. The fair drew 100,000 fairgoers, comprising 36,000 Japanese travel trade professionals and 66,000 consumers. Guam received extensive publicity exposure on a wide range of Japanese media valued at the equivalent of \$2.35 million worth of advertising space.
- GVB also led a friendship mission to Toi Town, Izu City prior to JATA where local government officials of Izu City and its tourist association jointly signed a proclamation to affirm the "Sister Cape Relations" with Guam. Both destinations are linked by their respective "Two Lovers Point" tourist landmarks.
- GVB sent a two-person delegation to represent Guam at the Pacific Asia Travel Association's (PATA) annual travel trade show in Bangkok, Thailand in September 2004. GVB held a media briefing for nearly 100 international and regional travel trade journalists to raise awareness of Guam's and the Micronesia region's offerings for seasoned long-haul travelers looking for new destinations to visit/explore.

Guam International Airport Authority

- In January of 2004, the property appraisal of GIAA's Tiyan property was completed. Tiyan properties were valued at \$53M. This is the first time the property was appraised since the official transfer of title from the US Navy to GIAA in 2000.
- The Airport's Aircraft Rescue and Fire Fighting (ARFF) Unit took delivery of (four) 4 new fire trucks at the end of May 2004. The trucks, valued at \$2.8M were manufactured by Rosenbauer America and built to GIAA and FAA specifications. The trucks were immediately put in service after ARFF and GIAA personnel completed comprehensive training in the operations and maintenance of the vehicles.
- The pilot phase of the Residential Sound Insulation Program was launched in October 2004. This initial phase involves approximately 30 homes that are currently impacted by airport noise measuring over 65 decibels. The Airport successfully obtained the \$2M funding from the FAA to cover the costs of treating homes with sound insulation measures. These enhancements may include new windows, doors and other treatments to decrease noise levels to 45 decibels and below, a level which would allow for normal speech.
- On October 1, 2004, the Airport Authority decreased the costs per enplaned passenger by 12.17% or \$2.03. This was accomplished by decreasing operational costs and increasing revenue streams in its estimated budget for FY2005. These decreased costs are of great benefit to our airline partners by allowing them to decrease the operational costs of doing business on Guam. This move is expected to spur additional or new air service to and from Guam.
- Over 200 airport officials consisting of CEO's, Presidents, Managers and aviation services from airports across the Pacific Region, (including Australia, New Zealand, New Caledonia, Tahiti, China, Taiwan, Singapore, Fiji, Korea, Micronesia and Japan) took part in the 14th Airports Council International conference held May 23 - 26, 2004 at the Hyatt. The conference featured prestigious keynote speaker, J. Stapleton Roy, former U.S. ambassador to various posts in Asia and former Asst. Secretary of Intelligence and Research with the State Department. This is the first of many conferences that GIAA plans on hosting on Guam, which would assist in promoting the conference and convention market on Guam while firmly establishing our prominence as the leading airport in this region.
- Massachusetts' based Cape Air began air service partnership with Continental Connection, providing commuter services on July 1, 2004 between Guam and Rota/Saipan.

Grants

- \$7.7M in AIP (Airport Improvement Program) funding from the FAA awarded in May 2004 to construct the Airport Security Perimeter Road.
- \$10.2M in Federal Highway Funding for the extension of Runway 6R from 8,000 ft. to 10,000 ft.
- \$250,000 in FAA funding was awarded to conduct a General Aviation Site Selection.
- \$1.4M in FAA funding was awarded to improve Airport Utility Infrastructure (Water System) Phase III.
- \$100,000 was approved for the acquisition of One (1) Passenger Lift Device
- \$85,000 of Homeland Security funding was made available for the acquisition of a HazMat (Hazardous Material) Decontamination Trailer
- Funding of \$2.5M is anticipated from the US Economic Development Authority to fund the demolition the remaining housing structures in Tiyan. GIAA received verbal advisement that the grant application was approved, subject to the formal application completion and submittal.

Capital Improvement

- GIAA's Airport Police K-9 Unit's Kennel and Training Facility was completed and opened for operations on August 11, 2004.
- The Tiyan Interconnection Water Loop Service which called for the installation of 12-inch water pipes along Route 8 and 16 has been completed and is now in service. This project upgraded the critical distribution of water for the Tiyan and Barrigada areas.
- A Groundbreaking ceremony for the new DHL facility in Tiyan was held on August 18, 2004. The DHL facility is the first new development project embarked on in GIAA Tiyan properties, and will feature loading docks and office space on an initial building footprint of 10,000 sq. feet. Plans are already underway to expand the facility as soon as it completed. The expected completion date is in February 2005.

Community Outreach/Customer Service

- GIAA participated in the Governor's Adopt a School Program, adopting two public elementary schools: JM Guerrero Elementary in Harmon and Harry S. Truman Elementary in Santa Rita. Preparation for school opening required painting, water blasting and general cleaning, which the Airport accomplished in two weekends prior to the first day of school in August 2004.
- GIAA has partnered with the local non-profit organization, Guam Shriners Club to benefit the cause of sending ill children off island for medical care and has supported several fundraising activities for this cause.
- The Ayudanten Puetton Batkon Airen Guahan program began in November 2004. The program, better known as an Ambassador program at other airports assists passengers in various areas of the terminal, with the intention to facilitate passengers through processing points, and to assist in language barriers and provide general information of Guam and the services available at the Airport.

Agency for Human Resource Development

- **\$10 Million National Emergency Grant – Super Typhoon Pongsona** – A National Emergency Grant (NEG) award of \$10M was received for the temporary employment of more than 1,200 displaced workers, working on the restoration and mitigation of typhoon damages Guam suffered as a result of Super Typhoon Pongsona. The project entailed assigning temporary workers to various government agencies, municipal villages, land jurisdictions, and numerous humanitarian non-profit organizations. The program ended successfully in June 2004. Guam's Pongsona NEG program was acknowledged by the US Department of Labor's Region VI officials as one of the most successful NEG projects administered in the United States.
- **Technical Assistance to CNMI.** After Super Typhoon Chaba devastated Rota, Tinian and Saipan, AHRD sent its technical assistance staff to help CNMI put together its application for typhoon restoration/mitigation grant - the National Emergency Grant (NEG) from USDOL. With the successful administration of its own NEG project on Guam, the AHRD staff was able to assist CNMI in applying for and implementing the NEG project in the CNMI - with the expeditious approval of an initial \$2 million grant.
- **Summer Youth Employment and Training Program** – An estimated \$360,000 was allotted to employ over 460 WIA-eligible youth ages 14-21 for 4 weeks to acquire life skills and work experience in the various public and private sector businesses.
- **Incumbent Worker Training Program:** With the implementation of this newly-created program, the Incumbent Worker Training Program provides Guam small business communities access to help train their incumbent workers for upgrade in work skills. This project will increase retention of employees and provide the necessary funding to re-train and to help small business communities to upgrade their services to the community, and the skills of their employees.
- **Workforce Economic and Development Summit:** The Agency hosted and funded a WIA-sponsored Economic Summit in the region. The Summit brought guest speakers from the Mainland to provide lectures and training, and to motivate and encourage our community in Economic Enterprise.
- **Region VI – Pacific WIASRD/Database Reporting Systems Training:** AHRD hosted the first WIASRD Regional training for all the Pacific jurisdictions under Region VI of the USDOL. Provided AHRD's counterpart staff with the Federated States of Micronesia, Commonwealth of the Northern Mariana Islands, Republic of Palau, Republic of the Marshall Islands and American Samoa with the training facilities.
- **Specialized Training Programs:** The Agency continues to increase the partnership with employers for Job Training Programs by 50% in the construction, healthcare and hospitality industries and other related businesses (legal, insurance and banking).
- **Pre-Apprenticeship/Apprenticeship:** Collaboration has been made with the various government agencies -- Guam Power Authority, Guam Water Works, and the Department of Public Works. Private businesses include the Guam Shipyard, Guam Hotel and Restaurant Association, Guam Banking Association and the Guam Contractors Association. This joint partnership with other departments or corporations to establish apprenticeship programs to train our local people is a new mechanism added to the Agency, which has never been explored. Total investment per program is estimated at \$1 million for training and development of the specialized skills in masonry, carpentry, electrician and pipe fitter - to name a few.
- **The U.S. Department of Labor approved the Apprenticeship program,** which consists of four years of training leading to a certificate as a journeyman. Upon implementation of this program for Guam, based on a ten-year program that would train 200 skilled journeymen, the salaries paid during training and as journeyman would be in excess of \$44.2 million. Based on a 3.0 multiplier the economic benefit to Guam would be in excess of \$132 million. Direct income taxes would be in excess of \$6.6 million and GRT collected would be \$5.3 million. An additional cost avoidance to Guam would be taking two hundred families off welfare at an annual cost of \$43,000 or a total benefit of \$8.6 million.

Port Authority of Guam

- After the record setting year of FY03, the Port was able to maintain the high level of cargo in FY04. The Port handled 2,067,528, compared to the record of 2,164,116 revenue tons set in FY03. The FY04 figure is higher than the year totals from FY99 to FY02.
- Passenger vessels increased, with total passengers increasing from 5,300 to 8,000.
- Despite a increase in revenues, the Port has continued to control its spending. The approved budget for FY04 was \$24.6 million, a reduction from the \$25.7 million expended in FY03. In FY05 the Port is budgeted to spend \$23.6 million. This budget includes provisions for new public laws that require the Port to fund supplemental retirement and other benefits for retirees.
- The Board of Directors has implemented a hiring freeze, and through attrition the Port has downsized by 29 employees over the past fiscal year, and has seen a 72-employee reduction from the 392 employees recorded at the end of FY02.
- The approved budget for Salaries and Benefits for FY05 is \$12,946,306 an almost \$2 million reduction from the \$14,707,552 approved in FY04 and more than \$3.3 million less than FY03.

Port Security

- FY04 presented some new challenges for the Port in the way of the Maritime Transportation Security Act (MTSA) and the International Ship and Port Security (ISPS) implementation in December of 2003. With the help of the US Coast Guard on Guam, the Port Authority was in full compliance of these regulations by the implementation date of July 1.
- In conjunction with this implementation the Port was also the recipient of two grants under the Transportation Security Administration. In round three of the program the Port was awarded \$518,900 for Portable Concrete Barriers, Wharf Surveillance System and Excess Hazmat Container Yard Fencing and Lighting. In September PAG was notified that it was a grant recipient of Round 4 funding for a total of \$280,200 for CCTV surveillance systems, Pre-fabricated portable fencing system, Compact x-ray surveillance system to screen baggage, Walk-through metal detectors and Hand-held detection devices.

Capital Improvements

- The Port was also awarded a \$1.2 million grant in FY03 from the US Economic Development Authority for an architectural and engineering design for a deep-draft pier proposed between Hotel Wharf and Seaplane Ramp. The contract for the design has been awarded and work is proceeding. The current plan calls for the Port to utilize dredged material from the Navy's inner harbor dredging project as fill for the new pier. The Army Corps of Engineers is also working on the Environmental Impact Statement of the project.

Department of Revenue and Taxation

- Over \$63 million collected in taxes since the start of this administration. With aggressive tax collection efforts implemented since the start of this Administration to the end of Fiscal year 2004, DRT was able to collect over \$63 million in taxes. From January 1, 2003 to September 30, 2003, DRT collected \$18,287,502. For FY04 (October 1, 2003 to September 30, 2004), DRT collected \$44,988,600. These monies were as a result of aggressive tax collection efforts as promised by the Administration and DRT.
- Increased property tax collections: Prior to this administration, DRT had failed to publish delinquent tax records for several years. During this administration, DRT spent approximately \$72,000 to publish the delinquent listing and as a result collected approximately \$2.8 million more of delinquent property taxes than prior FY03.
- Identification of additional \$6.2 million dollars in Section 30 monies. A project to reconcile withholding taxes for Guam Guard and Reserve members has recovered \$6.2 million for tax years dating from 1999 to 2002.
- Repeal of increase on Gross Receipts taxes from 6% to 4%. Changes were made with GRT forms to repeal the rate increase and to revert to monthly filing so as to more effectively gather statistical information necessary for effective financial management of our Government.
- Requirement to provide on-line (electronic) filing of Gross Receipts taxes. Currently DRT is fine-tuning the process and technical requirements in anticipation of beginning the GRT e-filing in November 2004.

- Creation of the Office of the Taxpayer Advocate. The administration has been responsive in addressing this need by issuing an Executive Order so as to create an interim Taxpayer Advocate. This office was mandated by the Guam Territorial Income Tax laws (mirroring the Internal Revenue Code) and is necessary to afford taxpayers an alternative avenue to resolve income tax matters with DRT. The Taxpayer Advocate now perfects the Notices of Deficiencies and Final Demand Notices that were once deemed to be defective by the courts. A bill currently sits with the Legislature to enact a public law for this office.
- Implementation of the Point Of Sale payment system: DRT, along with the Department of Administration (DOA) has implemented the Point of Sale payment system in August of this year. This system would allow immediate postings of payments and quicker revenue reports for use in planning the financial affairs of the Government. It would also allow the public quicker information on balances on their accounts and reduce the amount of bounced checks for the Government.

Department of Administration

- Began accepting credit card payments at all Treasurer of Guam locations.
- Installed a new IBM iSeries AS400 computer system. An example of improvement is that it took 5 hours to process the bi-weekly payroll on the old AS400 system. With the new AS400 it takes less than an hour.
- Implemented a Point-of-Sale system which can electronically process payments including checks with online updates to the appropriate accounts. This speeds up the process and eliminates the duplication of data entry for transactions.
- Automated the Purchase Order creation process at GSA which eliminated the use of typewriters reducing the process time, backlog, and error rate.
- Modified and simplified the Chart of Accounts allowing for more accurate and timely financial reports.
- Implemented the "dual year" functions in our financial management system improving the transition between closing one fiscal year and opening the new one.

Federal Grants

- Financial Management Improvement Plan (FMIP) under the Department of Interior and USDA-Pacific Islands Training Initiative – supplemental funding of \$400,000 to upgrade computer workstations.
- Under the Guam Office of Homeland Security – an upgrade to harden our network and system security measures against cyber terrorism.

Guam Contractors License Board

- Employing two fulltime investigators and a private secretary, which will help the agency enforce its mandates. In October 2004, GCLB collected over \$7,000.
- Upgrading technology using federal funding to allow greater efficiency in Licensing, Investigation and Administration Sections. With these tools GCLB will be able to run software tailored to track GCLB data and streamline licensing process, including archiving all documents information electronically, print contractor licenses and I.D. cards.
- Archiving of Licenses and backing documents will be possible with proposed upgrade of computer system and with GCLB current Xerox copier which will be upgraded to have a scanning feature at no additional cost.

Department of Labor

- As a result of the move from Tiyan and consolidation of offices, DOL was able to centralize its administrative and accounting processes and set up a Fiscal & Support unit. This unit set up standard operating procedures for the administration of DOL that created greater efficiencies, accountability and sounder management.
- The ALPCD unit processed 210 applications for the year an increase over the 67 of the previous year. It processed approval by the Governor of 340 alien importation and 49 alien extensions.
- Wage & Hour division received 110 complaints. One complaint was referred to the U.S. Department of Labor for their authority, one complaint was determined not to have their enforcement jurisdiction, 5 were resolved immediately, 5 were incorporated into on-going cases 3 were assigned for case investigation and the rest were determined to be non-investigative cases.

Hagåtña Restoration and Redevelopment Authority

- Established the Hagåtña Restoration and Redevelopment Authority Office and developed a strategic plan for the agency.
- Initiated the process for the Hagåtña Master Plan, announcing RFP. Plan shall include a Land Use Plan, Zoning Code and Urban Design Guidelines and Regulations for the City of Hagåtña. Board approved the results of the evaluations of the proposals and created committee to negotiate the fees with the consultant deemed best qualified for the project.
- Working with Department of Parks and Recreation, Historic Preservation, to implement a \$1.1 million grant to restore and renovate the parks in Hagåtña.

CULTURE

Department of Chamorro Affairs

- \$87,040 Grant Award through Administration of Native Americans (ANA) to conduct a scientific assessment to determine the status of the Chamorro language in the Pacific community.
- Initiated Visitors Welcome Center called MAILA HALOM at Chamorro Village in partnership with GVB; Selibrasion Chamorro Theme 2005: ANON FINO CHAMORRO YAN KOTTURA "Inina, deskubre, Setbesiu in partnership w/ DOE Chamorro Studies, KAHA; Poster contest based on the 2005 theme.
- The Authentication and Standardization Committee, an influential and respected advisory body consisting of individuals from various disciplines in Chamorro culture, language, history, tourism and hospitality, artistic and indigenous Chamorro organizations who gave of their free time to proposed a model law for the protection of traditional knowledge and expressions of culture for our island people. When completed, it will be submitted to the Governor as major heritage legislation for him to introduce to the new legislature.
- The 9th Festival of Pacific Arts: The Department of Chamorro Affairs helped organized approximately 145 Guam Delegation of Artists to represent Guam in July 2004 at the Republic of Palau. It is the largest delegation ever that participated. For the duration of the Festival, arts in all levels were displayed, performed and demonstrated. Weavers, carvers, applied artists, seafarers singers, chanters, dancers, storytellers all performed the three cultural changes of the lives of the Chamorro people.
- The Guam Museum (approximately 80,000 people visited this year). The Guam Museum, displaying a variety of the history of Guam's heritage, provides satellite exhibits in Shopping Centers formerly at GPO, presently at the Micronesian Mall and tourist establishments in hotels and DFS Tumon.

Guam Council on the Arts and Humanities Agency

- Led Guam's delegation to 23rd Annual Flame Tree Arts Festival in Saipan and the 9th Festival of Pacific Arts in Palau. Guam's presentation at FestPac included a pageantry of performers, visual artists, crafts persons and presenters of traditional demonstrations.
- Effective October, the KAHA Arts and Culture Gallery became operational 7 days a week to allow the agency to serve its constituents on a daily basis. Throughout the year, 11 exhibits including cultural and traveling displays, a one-man show and school shows were showcased.
- Unveiled new Guam Tourist and Recreation Map by "Mr. Tourism" Bert Unpingco.
- Awarded a total of \$165,100 in grants to individuals and organizations in support of cultural, education and arts projects.
- KAHA received official notification from its federal grantor the National Endowment for the Arts (NEA) that KAHA was awarded \$241,100 for FY 2005. KAHA's continuing partnership with NEA will ensure the development, growth, and perpetuation of the arts, culture and heritage of the people of Guam.

Guam Ancestral Lands Commission

- Returned over 180 lots, affecting over 6,000 families.
- Established Land Bank Trust.
- The signing of the Commission's first License Agreement, in which proceeds will be used to compensate qualified landowners and to allow the Commission to become self-sustaining.

UTILITIES

Guam Power Authority

- Generators focused on aggressive maintenance initiatives to bring all baseload units back online as a measure to reduce fuel costs to ratepayers. During 2003 and 2004, ratepayers paid approximately \$40,000 per day for baseload units Cabras III & IV being offline for nearly two years. Within FY 2004, GPA was able to reintroduce an actual schedule maintenance plan for generators prioritizing baseload units on through the diesel and combustion turbine units.
- GPA management also employed the performance management contract (PMC) as a hybrid approach towards privatization. Through the innovative approach of the PMC, GPA was able to privatize the management of operations for baseload units while retaining the workforce and assets for ratepayers. PMC were contractually obligated to meet performance standards for efficiency; GPA benefited through training opportunities under the PMC and by means of an expedited procurement process for parts and professional services via their industry contacts. Within 2004, GPA was able to privatize the management of Cabras III & IV to HSD Engine Co., Ltd.
- Synchronized efforts on fast track generating units were also prioritized. The fast track units are an integral part of GPA's generation assets. GPA's present management refocused efforts to bring these units to full generation capacity. During this year alone, GPA was able to restart the Macheche Combustion Turbine (CT) after nearly two years of inactivity; other efforts to revitalize maintenance activity with the fast tracks are planned for 2005 with both Dededo CT units as well as the Yigo CT.
- Early in 2004, officials from Andersen Air Force Base announced plans for an underground line to the Dededo power plant facility as a back up line for uninterrupted power during typhoons. Such a project not only highlighted the need to place lines underground; it supported GPA's long range revenue protection plans and the drive to regain investment grade with bond rating companies Fitch Rating and Standard & Poors.
- **Revenue protection:** Within operations, aggressive maintenance plans for the T&D division focused on minimizing forced outages and efficient operations. Restructuring maintenance activities focused on preventive maintenance, investments in technical training and equipment upgrades for personnel. Within 2004, GPA significantly reduced the frequency of forced outages, hastened disaster recovery operation times and revitalized technical training in T&D's specialized fields to meet GPA's expansion plans for future system upgrades and changing technology.
- The installation of new capacitor banks late in 2004 throughout the northern part of the island when completed will further improve the quality of electrical services delivered to customers. As an added benefit, the new capacitors will lessen the need to dispatch fast track units up north to maintain voltage for central and northern circuits – GPA expects the project to be completed early in 2005.
- Before the close of 2004, GPA will have completed a grid map of its entire system through its newly acquired ARC View mapping system. The mapping system is currently utilized by FEMA and will enable GPA to speed up processing of FEMA reimbursement claims and accountability of streetlights. Through the mapping system, GPA will be able to identify and locate each streetlight on the Island Wide Power System (IWPS) for billing and disaster reimbursement purposes. Streetlights will be mapped via a policy guideline to maximize the allotted legislative funding via the Abandon Vehicle & Streetlight Fund.
- GPA Engineering division has also been hard at work designing plans for use of \$20 million dollars in approved FEMA mitigation grants to place power lines underground; for example the line from Tanguisson Power Plant to GMH as well as other critical transmission lines to critical substation. By April of 2005, the plans should be complete and GPA should be able to break ground on this project. Coincidentally, a recent settlement through the Government of Guam/Department of Public Work will afford \$1.2 million every year to place power lines underground in certain areas along Marine Corps Drive and along Camp Watkins Road in Tamuning. Planning has already begun within GPA to incorporate this court order into long range plans to coordinate constructions of these underground lines.
- GPA initiated aggressive collection policies across all electric utility accounts early in FY04. Communications throughout all media forewarned customers of GPA intentions to collect on delinquent accounts; support from the T&D division enabled GPA to expand disconnect activities across more of the island. Within 2004, GPA reduced its delinquent collection ratios from 16 percent to 8 percent.

- During 2001 through early 2003, GPA had not adjusted its LEAC rate for over four periods resulting in \$13 million in unrecovered fuel costs. GPA worked closely with the Public Utilities Commission (PUC) for adequately adjust the LEAC rate to recover fuel costs and support maintenance costs through the recovery periods. Monies were reinvested back into generations to bring the baseload units back online; coincidentally, GPA was able to further pass on fuel cost savings to customers through the use of efficient generators and further keep the LEAC rates steady despite a chaotic and ever changing fuel market in the Pacific region.
- Through aggressive collections, GPA was able to bring vendor payables down to within net 30 days for goods and services; thus reestablishing the Authority's credibility with vendors.
- Early in 2004, GPA began an earnest attempt to resolve millions in FEMA reimbursements on typhoon repairs from as far back as Typhoon Paka. Over the course of months, GPA was able to reach a settlement agreement with FEMA officials and in July of 2004, \$9.4 million dollars was received for Paka claims. Other FEMA reimbursement claims were also forwarded increasing GPA's capital reserve funds to \$17 million dollars.
- GPA recruited 64 apprentices through partnerships with the Agency for Human Resource Development and the Guam Community College to fill critical positions in operations – generations and transmission & distribution.
- GPA also resurrected its Engineering Internship program as a means to expose and potential influence graduating engineering students from Guam to return and work for GPA.

Guam Waterworks Authority

- Reduced operations loss by 76 percent in the last two years. This is a reflection on the agency's streamlining efforts: a reduction in workforce through retirement and attrition (273 to 243 in the last year), cuts in overtime and equipment rental and a more stable operating system.
- Upgraded the Ugum Water Treatment Plant for the benefit of southern customers. New river pumps and flocculators with the addition of added polymers have allowed the agency to double the daily production to about 3 million gallons per day and, most importantly, allowed GWA to continue production and service during heavy rain and high turbidity levels.

Department of Public Works

- **School Bussing:** The department has improved school bussing service during the past year. Last year the department of Public Works averaged over 50 complaints per week on late bussing. Today the department receives less than 5 per week. Additionally the department has been proactive in addressing the long-term solution to the bussing delays that our government has experienced the past decade. Received a total of 69 new school buses and is in the process of recruiting 30 new drivers.
- **Trash Privatization:** In the process of privatizing two-thirds of the island's trash collections. This will allow private companies to service the community and allow for improvements in customer service.
- **Abandoned Vehicle Program:** Awarded a contract to a vendor to pick up abandoned vehicles around the island. Contractor responsible for the removal of all hazardous materials, delivering the vehicles to a recycling site, and shipping the vehicles off-island. The contractor will receive 60% of the payment when they pickup the abandon vehicle from the roadways, and 40% when the vehicle leaves the island.
- **Highway Maintenance Privatization:** Will be awarding 3 contracts to private companies to begin picking up litter and cutting the island's roadways. This is the first time the government has outsourced the beautification of our island. The project is a co-venture between DPW and the Guam Visitor's Bureau and will expend \$1.2 million dollars.
- **Privatization of Security Services:** Working on a Request for Proposal that will privatize the security of Public Works. For many years the department has been dependent on government employees to fulfill this function. As we move into the new year, this function will be privatized.
- **Privatization of Supply:** Currently working on a Request for Proposal to privatize the supply shop at DPW to expedite procurement matters. For many years the department has been short on supplies and parts to repair much needed vehicles as a result of the red tape associated with the government procurement process. Once this function is outsourced a privatized the department will have a private company put a "parts store" at DPW, and they will be responsible for fully stocking the department with parts and supplies for vehicle repairs.
- **Closure of the Ordot Dump:** The Department of Public Works has been working aggressively with the Guam EPA and has made great strides in closing one of the most toxic sites in the U.S. – the Ordot Dump.
- **New Schools:** The department is partnering with a private company in a municipal lease plan to build 5 new schools on Guam.

Guam Housing and Urban Renewal Authority

Senior Citizens Centers

- GHURA partnered with the Department of Public Health and Social Services, Division of Senior Citizens to construct and renovate senior citizens centers in the villages of Agat, Merizo, Santa Rita and Sinajana.
- A groundbreaking ceremony was held on November 14, 2003 for the New Construction of the Agat Senior Citizens Center across from the Mount Carmel Church, to accommodate up to 150 elderly. The total value of the activity is \$388,000.00.
- A groundbreaking ceremony was held on August 16, 2004 for the New Construction of the Merizo Senior Citizens Center, across from the Merizo Mayor's Office and Community Center, to accommodate up to 100 elderly. The total value of the activity is \$446,000.00.
- The senior center will be constructed on adjacent to the Santa Rita Mayor's Office, current Senior Citizens Center and Community Center. The Santa Rita Senior Citizens Center will accommodate up to 100 elderly. The total value of the activity is \$405,000.00.
- The Santa Rita and Merizo Senior Citizens Centers are designed to serve a dual purpose of a senior citizens center and as facilities to serve as emergency shelters and assistance centers following natural disasters. These facilities will be equipped with a backup generator and water storage tank. This will alleviate the usage of the public

schools as emergency shelters. The center currently accommodates 40 elderly. With the rehabilitation, the center is capable to accommodate 90 elderly. The total value of the activity is \$380,000.00.

- Since 1998, GHURA has renovated and constructed senior citizens centers in the villages of Yigo, Dededo, Astumbo, Tamuning, Mangilao, Inarajan and Yona. The Senior Citizens Centers are funded by the U.S. Department of Housing and Urban Development (HUD) through the Community Development Block Grant (CDBG) Program.
- **DOE Special Education Classrooms:** GHURA partnered with the Department of Education to construct three special education classrooms. Two classrooms are constructed at Jose L.G. Rios Middle School and one classroom at Luis P. Untalan Middle School. The total value of the activity is \$387,000.00. The special education classrooms are funded by the U.S. Department of Housing and Urban Development (HUD) through the Community Development Block Grant (CDBG) Program.
- **Para I Manhoben Rehabilitation:** On October 3, 2003, the Department of Mental Health and Substance Abuse held an open house celebration to officially open the Para I Manhoben Rays of Hope Center for services to the community. The rehabilitated center will replace the former facility in the old hospital staff housing area. The Department of Mental Health and Substance Abuse will operate the center.
- **Installation of Water Storage Tank at Catholic Social Service Elderly Apartments:** GHURA partnered with Catholic Social Service to install water storage tanks and an appropriate pump system to assist with alleviating low water pressure problems existing within the Catholic Social Service elderly apartment complex. The complex was constructed with HOME Investment Partnership Grant funds. The system includes two; 3000-gallon tanks, a dual pump system to provide pressure, and are protected with concrete, a chain link screen wall and a metal roof. The installation is valued at \$65,000.00. Funding was provided by the U.S. Department of Housing and Urban Development (HUD) through the Community Development Block Grant (CDBG) Program.
- **Rehabilitation of Liheng II Transitional Center:** GHURA partnered with Catholic Social Service to rehabilitate the LIHENG II Transitional Shelter to remove deficiencies to meet the standards of the Guam Housing Code. The eight newly renovated units will provide homeless and low-income families with affordable temporary rental housing and support services to enhance both personal and community awareness. The completion of this project is an example of ways to help combat homelessness on our island. The total value of the activity is \$211,000.00. Funding was provided by the U.S. Department of Housing and Urban Development (HUD) through the Community Development Block Grant (CDBG) Program.

Department of Agriculture

- Final disposition of the Critical Habitat designation by Fish and Wildlife Service: on October 28, 2004 Fish and Wildlife announced that of the 25,000 acres of land originally identified for critical habitat declaration, only 376 acres will be designated Critical Habitat. All private land, GovGuam lands and military lands are exempt from the designation. This was fought for by the Governor and the Department in court for nearly a year and a half.
- On February 18, 2004, Guam's Plant Inspection Station became an official entry point for live plants into the United States. Flowering plants from the Pacific Rim countries have been flowing into island nurseries at an ever increasing pace as a result.
- Federal funds were acquired this year to fund the first phase of the Department's move into the field of organic farming. Nearly \$100,000 has been earmarked from the Coastal Zone Management grant for the development of a tissue culture lab at the Department's main facility in Mangilao, the development of an organic farm and greenhouse, and USDA organic inspection training of Department personnel.
- Marianas Crow program saw seven successful births from parenting birds that were returned to the wild from the captive breeding program.
- The federal Brown Treesnake Act authorizes \$77 million over the next five years for brown treesnake interdiction, control and eradication, and endangered species recovery.

Department of Parks and Recreation

- Completed Phase I and II of its construction of the Paseo Stadium, in time to host the Asia Pacific Little League Regional Series. This prestigious youth event at the Paseo Stadium drew many thousands of visitors from Japan, Korea, Jakarta, the Philippines and Hong Kong. Also hosted our friends and families from Saipan, Rota and Tinian. The revamped stadium will boost our efforts to host regional sports events, and provides a nice home for our people to watch some of our top local baseball leagues and tournaments.
- Talofofo Bay Erosion and Mitigation Project: placed boulders on the entire shoreline of the park area to keep erosion in check with a permanent solution is conducted by the U.S. Army Corps of Engineers.

Civil Service Commission

- The fully empanelled Civil Service Commission has met continuously to address appeals from employees, adjudicating the appeals efficiently and reducing a previous backlog of cases. Staff has also fostered greater communication between adverse parties, bringing forward settlements and avoiding costly appeal hearings.
- Commission has ensured merit system compliance by government agencies through audits and inquiries of personnel practices and policies.
- Training has been offered to hundreds of employees in the areas of grievances, adverse actions, equal employment opportunity and sexual harassment.

Department of Land Management

- Approval of FEMA Hazard Mitigation Grant to indirectly finance the construction of a new land services building
- Completion of various long overdue projects and the planning for the completion of others such as:
 - location of the Inarajan Boat Ramp
 - location of the Agat Senior Citizens Center
 - new school sites
 - new Ija lots
 - new Pigua lots
- Department is being brought into upgraded information technology. New hardware and software procured through federal grants.