



**AGA Guam Chapter  
General Membership  
Meeting Minutes**  
Wednesday, October 23, 2019 at  
12:00pm.  
Hilton Resort & Spa Koko Room

**Debbie Ngata**  
*President*  
**Pilar Pangelinan**  
*President-Elect*  
**Frances Danieli, MBA, CB, CGFM**  
*Immediate Past President*  
**Shannon Bartónico, CFE**  
*Treasurer*  
**Fierce Catoc, CPA**  
*Treasurer-Elect*  
**Llewelyn Terlaje, CGFM, CGAP, CFE**  
*Secretary*

Attendance Count - Members: 45; Non-members: 24

- I. Meeting called to order at 12:07 PM by President Debbie Ngata.
- II. Presentation of the John Phillips Award – Vincent Duenas called upon the officers to present the John Phillips Award. Prior to awarding this year’s recipient, the officers presented the family of the late John Phillips with Chapter Executive Committee Resolution No. 01-2019, Relative to recognizing the late Mr. John M. Phillips for his contributions to the accounting and accountability industry on Guam and the Pacific Rim region; and to further express sincere condolences of the AGA Guam Chapter to the family of the late John M. Phillips on his passing.

Following the presentation of the Resolution, Vincent announced the winner of the John Phillips award – Jon Fernandez, Superintendent of the Guam Department of Education (GDOE). Mr. Fernandez is recognized for his significant contributions to improving government services and operations, leadership in government programs, financial management, individual integrity, leadership in government accountability and the significant and continual progress made in improving Guam’s public school system during his term as the Superintendent of Education.

- III. Guest Speaker Presentation:  
Jon Fernandez, GDOE Superintendent, presented on GDOE’s Finances and High Risk Status. When discussing finances, most people will ask Mr. Fernandez what the problem is since GDOE receives most of GovGuam’s budget. Mr. Fernandez states that GDOE mandates are so broad and have to meet the 14 points of the law. While \$343 million (M) was requested to meet these mandates, GDOE received \$220M this past budget.

Over the past five years, while it appears there is some growth in the budget, it is really a flat budget because of the increase in mandates such as the Competitive Wage Act. There is also the Charter School funding and allocations that should be factored. Also, the Territorial Educational Facilities Fund was not receiving the revenues projected from property taxes. The biggest challenge is how to work around uncertain collections. Cumulatively, there has been a shortfall of \$18M in the fund.

In FY 2018, GDOE proactively worked to cut \$12M, although they were asked to cut \$19M, due to fiscal realignment, but it was what GDOE could manage.

GDOE’s saving grace has been the stability of Federal funds as Congress has been effective in protecting funding for Education. Federal funds include USDA funds for reimbursement for School meals; USDOE funds of about \$40M include formula grants; USDOJ funds of about \$20M, which goes to paying a portion of leased schools; Health and Human Services funding supports the Head Start Program; USDOD funding from military coverage goes toward cafeteria equipment; USDOE Special Education funding of about \$30M goes to supplemental classrooms, instruction, and equipment.



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As part of increasing opportunities, GDOE is working with USDA to increase the reimbursement rates for the school lunch program. Currently the reimbursement rate is equal to the US continental rates, whereas Alaska and Hawaii have higher reimbursement rates. There is about a \$0.50 to \$0.75 difference per meal cost per student. This can result in an additional \$6M.

GDOE is also working with USDOE to support facility planning and improvement. In 2013, US Army Corps of Engineers estimated deferred maintenance at \$90M. USDOE committed \$5M.

In 2014, a law was established to exempt certain schools from the procurement law to do a pilot solar power energy project, however, this has not moved due to a conflict in law. GDOE will be asking the Legislature for procurement authority for this program as the other 35 schools were given to GSA to procure the solar power equipment. GDOE's utility costs range from \$12M-\$15M and it is estimated that at least \$4M - \$5M can be generated in savings, which in turn can be put away to target the \$90M in deferred maintenance.

In terms of making progress toward removing high risk and special conditions, Mr. Fernandez discussed GDOE's struggles as Guam is the first to be on high risk. For example, he gave a history of one of the last special conditions requiring the submission of audited financial statements, which has been consistently done. USDOE noted that GDOE has met the condition but will still keep the Special Condition active. In addition, voting representation may play a factor as there is no one that can be contacted in Congress to assist with the matter.

GDOE previously used the CCAP as a roadmap to address the high risk and special conditions. When Mr. Fernandez became Superintendent, he worked to implement a new MUNIS financial system. In 2018, a meeting occurred at a high level to discuss the progress made and remove special conditions. As a result, the Reconsideration Evaluation Plan was developed. This plan started with about 30 activities to be negotiated but ended up with five times as much activities.

There were originally seven special conditions, and it was agreed that three could be removed. As mentioned previously, another condition was met, but USDOE has decided to keep it as a special condition. There are a series of reviews and assessments moving forward. There have already been two visits and there is an aim to have the next visit early next year.

- IV. CGFM Scholarship Presentation - Mercedes Poliarco of the Guam Waterworks Authority received \$382 for passing the CGFM exams. She is the second CGFM for PY 2019 – 2020.
- V. Approval of Minutes - Lorbea moved to approve the August Minutes subject to corrections. Maripaz seconded the motion. All were in favor and minutes were approved.
- VI. Treasurer's Report – Treasurer's Reports were tabled.
- VII. President's Report
  - a. Debbie announced member anniversaries for October.
  - b. A reminder of the PDT requirements was mentioned. You have to be current member, attend 8 of 10 meeting, and participate in two community service activities.



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- c. The upcoming community service event is the Salvation Army Bell ringing in December.
  - d. There is an ongoing Membership Recruitment Program, which will allow one additional member to be sent to the PDT
- VIII. Other Matters/Open Floor
- a. Lunch Raffle – Jojo Guevara won the raffle.
  - b. AGA CGFM Video – Debbie had played the video prior to the meeting.
- IX. Reminder: Next Meeting – Wednesday, November 27, 2019
- X. Adjourn Meeting – Joy Bulatao moved to adjourn the meeting and was seconded by Vanessa Valencia. All were in favor and meeting was adjourned at 1:20 PM.

Official Minutes prepared by: Llewelyn Terlaje  
AGA – Guam Chapter Secretary