

# PORT AUTHORITY OF GUAM

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## NEWS RELEASE

### Board Unanimously Approves FY22 Budget

**Piti, Guam, August 27, 2021:** The Port Authority of Guam (PAG) Board of Directors unanimously approved the agency's Fiscal Year 2022 budget.

The FY22 approved operating budget is \$47,476,368, takes a bottom-up approach, and is based on zero-based budgeting principles. The FY21 budget was \$48,026,227.

"The FY22 budget is aligned with Governor Lou Leon Guerrero, Lt. Governor Joshua Tenorio, and the PAG Board's vision and goals. Moreover, it builds upon the fiscal accomplishments achieved over the past two fiscal years, and it keeps the Port on a course we set out to secure fiscal solvency," said Port General Manager Rory J. Respicio. "This budget was prepared with a zero-based budgeting mindset and focuses on fiscal discipline along with realistic spending plans while identifying new opportunities to begin a very aggressive yard equipment acquisition and replacement program. Our approach continues to be reasonable and honest. We are pleased that our Board continues to give us the autonomy to execute the annual budget and emphasizes prioritizing resources, operational and capital requirements to provide 100% of the Port employees' needs, and doing so, while we are operating in a pandemic.

The Port's revenue projection for FY22 is based on the assumption that the economy will rebound at least 25% of the average fiscal years 2016, 2017, and 2018, and anticipated federal reimbursements for the upcoming fiscal year.

"Additionally, we have to maintain Moody's credit rating requirements to keep the Port's recent bond rating upgrade positive. Moody's upgraded the Port Authority's rating in May 2020 of Baa2 negative to Baa2 stable in April 2021 primarily because the Port remains 100% operational during the global pandemic, cargo handling stability, and PAG management demonstrating sound fiscal control. So, this budget builds our financial posture to meet our operational needs and exceeds the minimum requirements of the bond raters," Respicio said.

The Port Authority's debt service ratio as of July 31, 2021, is 1.8, which is 44% higher than the Bond Indenture Debt service ratio requirement of 1.25, while cash on hand is 891 days, which is 78% or 391 days more than the 500 days requirement of Moody's rating agency.

A copy of the approved FY22 budget is provided as a pdf file and can also be found on the Port's website at [www.portofguam.com](http://www.portofguam.com)