

PORT AUTHORITY OF GUAM

JOSE D. LEON GUERRERO COMMERCIAL PORT
1026 Cabras Highway, Suite 201 Piti, GU 96915
Phone: (671) 477-5931 Fax: (671) 477-2689
Website: www.portguam.com



NEWS RELEASE

Port Publishes Citizen Centric Report

Piti, Guam, July 13, 2020: The Port Authority of Guam today published the annual Citizen Centric Report.

"This report gives the public an overall performance review on how we are doing and a look into our finances including our revenues and expenses," said Port Authority of Guam General Manager Rory J. Respico. "This report also shows our general outlook and challenges facing our agency."

According to the report, in FY 2019, earnings from operations amounted to \$6.9M, which was a 92% improvement from FY 2018. The total non-operating expenses were \$4.1M which resulted in an increase in net position (net income) by \$3.5M compared to a \$103 thousand loss in FY 2018.

The Citizen Centric Report also notes that PAG's operating revenues increased by 2% or \$1.1M in FY 2019.

The report published today also shows that the Port's operating expenses decreased by 4.7% or \$2.4M in FY 2019. The decrease in operating expenses was accomplished despite PAG absorbing \$2M in the middle of the fiscal year for unbudgeted payroll requirements, as well as booking \$3.1M in contingent liabilities in ongoing labor issues. In September 2018, prior management implemented a new pay schedule under PAG's Compensations and Classification plan, which was not part of the expense projection in the PAG's FY 2019 Budget.

As for the outlook, the report note that the Port is engaged in a 5-year Port Improvement Program for FY 2018-2022 to support the Port's future challenges and economic vision. This includes Capital Improvement Plans which will cost approximately \$70.7 million and are financed through a combination of federal grants, Port revenues and proceeds of the 2018 bonds. The Port's focus is on new construction, significant repairs, renovations and upgrades to the Authority's facilities and major equipment required to maintain operations. This includes buildings and support facilities, pavements and structures, security fencing and gates, computerized terminal operating systems (TOS), and upgrade of a 20-year old financial management system.

A copy of the Report is attached.

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