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WE'RE ON IT 24/7

GCA# 34-18-1913
Speaker Benjamin J.F. Cruz

LETTER OF TRANSMITTAL

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TRANSMITTED VIA EMAIL: senator@senatorbjcruz.com
and HAND DELIVERY

DATE: May 22, 2018

TO: Speaker Benjamin J.F. Cruz
I Mina'Trentai Kuatro Na Liheslaturan Guåhan
34th Guam Legislature
Guam Congress Building
163 Chalan Santo Papa
Hagåtña, Guam 96910

FROM: Executive Manager

SUBJECT: **FY2017 Citizen Centric Report**
A.B. Won Pat International Airport Authority, Guam

ITEMS	***DESCRIPTION***
1 Original	FY2017 Citizen Centric Report A.B. Won Pat International Airport Authority, Guam

(x) For your information and use
( ) For your files
( ) Per your request
( ) For signature & return to our office
( ) Per our conversation
( ) Pls. provide us with copy
( ) For necessary action
( ) For Billing Purposes

Remarks:

2018 MAY 22 PM 4:56

Charles H. Ada II

Attachment

1913

AMERICAN ASSOCIATION OF AIRPORT EXECUTIVES
AIRPORTS COUNCIL INTERNATIONAL
NASAO National Association of State Aviation Officials
NAACA THE INTERNATIONAL AIR CARGO ASSOCIATION

A.B. WON PAT INTERNATIONAL AIRPORT GUAM

ATURIDAT PUETTON BATKON AIREN GUAHAN ENTENASIONAT



WE'RE ON IT 24/7

VISION HULO'

Vision Hulo' was adopted by the Board of Directors to guide development and economic opportunity.

Find out more on PAGE 2.

OUR PERFORMANCE

Our Fiscal Year 2017 performance and operational statistics tell the story in numbers.

References on PAGE 3.

CAPITAL IMPROVEMENTS

Things are looking up in our capital improvement program. Millions in projects are detailed.

Read more on PAGE 4.

Setting the HIGH Standard

VALUES Our organization is founded on the values of integrity and commitment to excellence. We value our people and our partners! We are fully committed to providing the best experience to our customers and maintaining exemplary business practices with our partners. We share in our success!

VISION Our vision is to set the standard in excellence as a world-class airport and premier aviation hub of the Western Pacific region.

MISSION Our mission continues to be ensuring the safety and security of the traveling public, while maintaining a superior and reliable level of airport services for island and regional residents and tourists, and supporting the development of air linkages and support facilities integral to the economic growth of Guam.

After 41 years, Guam's only civilian airport continues to play a significant role in the growth and development of our island paradise. 2017 was yet another year of great achievements for the Antonio B. Won Pat International Airport Authority, Guam (GIAA).

Overcoming hurdles and reaching major milestones in the agency's growth over the past year, the men and women who work at our airport are to be commended for continuing to build an enduring and resilient organization, which has become a true role model for the government of Guam in high standards of management and performance.

CONGRATULATIONS are definitely in order to the Airport for pulling off another perfect FAA airport certification inspection. As an integral arm of Guam's government, the Airport Authority continues to lead the way in "best financial and management practices" by maintaining prudent financial controls over all its operations producing clean financial audits that are a governance showcase. This third straight year's clean audit speaks volumes of the airport board and management. Recognition on an international scale was endorsed with top global rating agencies Moody's and Standard & Poor acknowledging the airport's ability to maintain a fairly stable operating performance in our economy. With the Vision HULO' program supporting major capital improvements, things continue to "look up" at the Guam International Airport. Kudos to all who are a part of the Airport team of excellence!

VISION HULO'



What is Vision HULO'?

"Vision **HULO'**" is an all-encompassing campaign of initiatives the Airport had undertaken in July 2017 to create future growth, development and opportunities for the Airport and for Guam. **HULO'** in our native Chamorro language means "up" in English, and it is clear, that in regard to our completed and ongoing projects and our efforts to enhance airport operations in every aspect that for Guam's Airport, the only direction is UP... or **HULO'**!

From our capital improvement projects, to new revenue programs, increased air services and enhanced operations, Vision **HULO'** ultimately expands economic contribution to Guam's economy, while balancing planned development and sustainability of Guam's only civilian airport and the welcome mat for Guam's vibrant tourism industry. In a 2014 study, the impact of Airport operations on Guam's economy concluded the following on annual basis:

- **$2.28 Billion generated and infused in the economy**
- **$787 Million in Payroll**
- **23,363 in Jobs**
- **Over $600 Million invested in Airport Facilities**

"Vision **HULO'**" also extends to our relationship with our airlines and key airport partners who have a stake in the islands future growth and development in aviation. Along with our sister agencies involved in tourism and business development, we intend to make these initiatives work for the Airport and for Guam. **The only direction is up!**

"Vision **HULO'** is critical to the success and continued growth of our island. Airport activities infuse a valuable $2.3 billion annually into the island's local economy. We continue to raise the performance bar to better serve the people of our island and all who travel to and through the A. B. Won Pat International Airport, Guam!



OUR PERFORMANCE

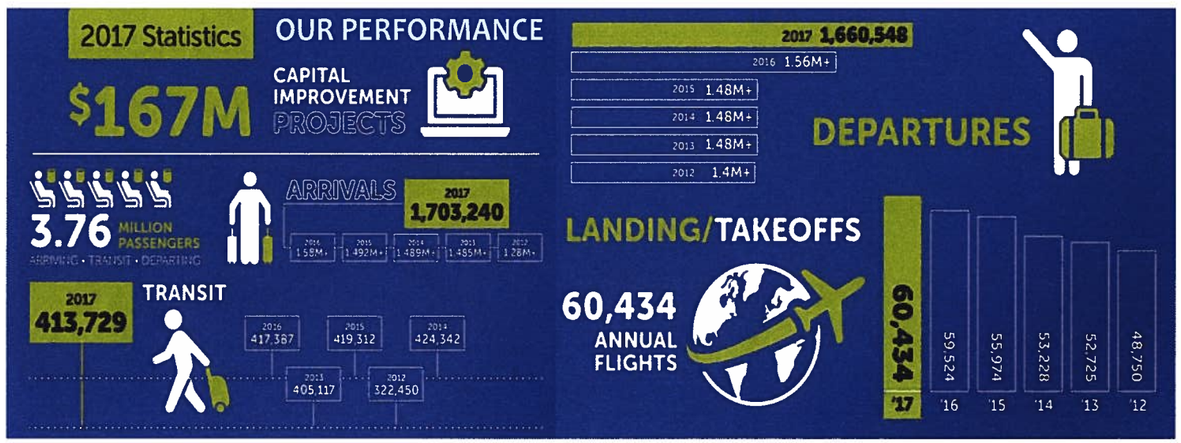
The Office of Public Accountability (OPA) commended GIAA for achieving a low risk auditee status for the third year in a row. For three consecutive years, there have been no questioned costs or unresolved prior year audit findings, which speaks volumes of the Airport's fiscal prudence and quality financial management. FY2017 was the second consecutive record-breaking year for the Airport, with enplanements increasing to 1,858,379 over FY2016, with a total 1,774,590 enplanements, representing 4.7% growth, the highest number of enplanements.

Total revenues increased 5.5% to $92.6 M in FY2017 vs. the $87.8 M in FY2016. The $4.8M variance may be attributed mainly to the $7.5% increase in operational revenues of $70.5 M vs. the $65.6 for the same period, and accounted for 76.1% of GIAA's total revenues. Total expenses were up 3.0% to $83.1M vs. the $80.6M compared to FY2016. Much of the expenses were attributed to contractual services. Operating expenses account for 52.5% of GIAA's expenses, with depreciation and amortization equaling to $26.8M accounting for 32.3%, and non- operating expenses covering the remaining 15.2% of approximately $12.6M. Summarily, the Airport closed FY2017 with an increase in net position of $9.6M up from $7.1M in FY2016.

FY2017 Citizen Centric Report May 2018

Antonio b. Won Pat International Airport Authority, Guam
(A Compound Unit of the Government of Guam)
Statement of Revenues, Expenses and Changes in Net Position

	Year ended September 30 2017	2016 (as restated)
Revenues *(Note 5)*:		
Facilities and systems usage charges *(Note 3)*	$ 29,005,148	$ 27,014,514
Concession fees *(Notes 3 and 9)*	24,259,069	24,226,811
Rental income *(Note 9)*	11,618,961	11,023,891
Miscellaneous	5,185,865	2,952,068
	70,069,043	65,217,284
Provision for bad debts	---	(552,772)
	70,069,043	64,664,512
Operating costs and expenses:		
Contractual services *(Notes 9 and 11)*	23,996,751	19,800,537
Personnel services	18,267,920	18,597,812
Materials and supplies	1,365,208	1,405,940
Total operating costs and expenses	43,629,879	39,804,289
Income from operations before depreciation and amortization	26,439,164	24,860,223
Depreciation and amortization	(26,830,443)	(27,848,304)
Operating loss	(391,279)	(2,988,081)
Non-operating revenues (expenses):		
Passenger facility charge income	7,286,165	7,058,805
Interest income	1,269,029	906,469
Grants from the United States Government	421,580	390,277
Grant from Government of Guam - Office of Highway Safety (OHS)	28,968	24,218
Interest expense	(11,281,416)	(12,394,123)
Other expenses, net	(1,366,697)	(97,221)
Total non-operating expenses, net	(3,642,371)	(4,111,575)
Loss before capital grants	(4,033,650)	(7,099,656)
Capital grants from the United States Government	13,586,533	14,217,549
Increase in net positon	9,552,883	7,117,893
Net position at beginning of year *(Note 13)*	315,404,197	308,286,304
Net position at end of year	$ 324,957,080	$ 315,404,197



CAPITAL IMPROVEMENT

The A.B. Won Pat International Airport serves as the island's "aerotropolis", leveraging our centrally located, urban airport for commercial development and economic growth. Continual planning and construction is critical to meet the needs of Guam's tourism driven economy, all the while safeguarding air travel and ensuring passenger service and processing are seamless and on par with international standards.

Key projects in 2017 include:

Airport Safety Management System ($180,000) The FAA-funded Safety Management System (SMS) is a formal top-down organization-wide approach to managing safety risk and assuring safety risk controls.

In-Line Baggage Handling System ($30.3 Million) The Transportation Safety Administration (TSA) Recapitalization and Optimization –baggage conveyance system at the Guam Airport is 100% automated with 4 CTX 9800 x-ray baggage screening technology and a throughput capacity screening of up to 1,992 bags per hour.

Upgrade Airport IT & FMS ($1.3 Million) This project encompasses technological improvements throughout the terminal and the GIAA's financial management system.

Facilities Fire Alarm/Suppression Systems ($3.23 Million) This terminal-wide project upgrades fire alarm and suppression systems.

Painting & Exterior Surface Improvements and Replace Roofing Systems ($2.5 Million) Terminal-wide project replaces roofing systems, and enhances exterior terminal aesthetics with a modern, fresh look.

Airport Facilities Upgrades ($4.97 Million) Investments resulted in phased upgrades to various facilities within the Airport footprint have.

Improve Leasehold Facilities ($2.5 Million) Various facility improvements to leased facilities on the South Ramp.



International Arrivals Corridor with Seismic Upgrade ($119 Million) The International Arrivals Corridor adds a 3rd level to the current terminal. Arriving passengers will be transported up to the third level and led directly to the US Customs and Border Protection Hall, completely separated from departing passengers on the 2nd level. The corridor will feature spectacular views of our tropical paradise to excited arriving passengers upon arrival.

UPCOMING PROJECTS

New Aircraft Rescue and Firefighting (ARFF) Building ($5.4 Million) A new fire fighting facility will be constructed to replace the aged facility built in the 1970's. The new ARFF barn will be fully compliant with FAA standards and the modern floor plan and layout promotes efficiency in rapid response and deployment of ARFF resources and personnel.

Apron Rehabilitation Design ($2 Million) Design work will proceed for the rehabilitation of apron areas of the Terminal.

Runway 6L Rehabilitation- Design ($800,000) Design work will proceed for the rehabilitation of Apron areas of the Terminal.

Passenger Screening Lane Expansion ($1.6 Million) Additional security screening lanes for TSA processing of passengers.

