Gmail

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MC Fwd: PAG Board Meeting Material July

BENJAMIN CRUZ <speaker@senatorbjcruz.com>
To: 34th Guam Legislature Clerks <clerks@guamlegislature.org>
Cc: Rennae Meno <rennae@guamlegislature.org>

Tue, Jul 10, 2018 at 3:07 PM

07/10/18	07/10/18	Port Authority of Guam	Board of Directors, May 30, 2018 board meeting materials.*	34-18-2065

——— Forwarded message ———
From: **Marge Duenas** <mduenas@portguam.com>
Date: Tue, Jul 10, 2018 at 1:59 PM
Subject: PAG Board Meeting Material July
To: speaker@senatorbjcruz.com

Hafa Adai Speaker Cruz,

In accordance with Section 8113.1, Chapter 8, 5 GCA, the Port Authority of Guam hereby submits an electronic copy of its Board of Directors, July 9, 2018 board meeting materials.

Regards – Marge

GL# 34-18-2065
Speaker Benjamin J.F. Cruz

JUL 10 2018
Time: 307 [ ] AM [ ] PM File No.
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OFFICE OF SPEAKER BENJAMIN J.F. CRUZ

Committee on Appropriations and Adjudication

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PORT OF GUAM
ATURIDAT I PUETTON GUAHAN
Jose D. Leon Guerrero Commercial Port
1026 Cabras Highway, Suite 201, Piti, Guam 96925
Telephone: 671-477-5931/35 Facsimile: 671-477-2689/4445
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Eddie Baza Calvo
Governor of Guam
Ray Tenorio
Lieutenant Governor

SPECIAL MEETING OF THE BOARD OF DIRECTORS
Jose D. Leon Guerrero Commercial Port
Tuesday, July 10, 2018
11:45 a.m.

A G E N D A

I. CALL TO ORDER

II. NEW BUSINESS

1. Port Authority of Guam Bond Financing Program Relates

III. ADJOURNMENT

Port of Guam, Jose D. Leon Guerrero Commercial Port is an Equal Employment Opportunity Employer.
Complaints of discrimination should be sent to the Human Resources Division.

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Eddie Baza Calvo
Governor of Guam
Ray Tenorio
Lieutenant Governor

July 9, 2018

MEMORANDUM

TO: Board of Directors

FROM: General Manager

SUBJECT: Port Authority of Guam Bond Financing Program Relates

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As you are aware, and in accordance with Public Law 34-70 relative to authorizing the Port Authority of Guam (PAG) to issue revenue bonds, the PAG Management team has for the past few months been engaged in a series of meetings with numerous parties. Parties include: WSP (Port Owners/Agent), and GEDA representatives as well as, but not limited to, Bond representatives of Orrick, Citigroup, RBC, and Kutak Rock. In the most recent meeting sessions held in June 2018 was for the purpose of bond presentation to potential investors, market update and bond pricing. The issuance of bonds will address capital improvement projects of the Port Authority and refinancing of port outstanding loans.

Port Bond Issuance for Related Activities:

1. Capital Improvement Projects
   - EQMR Building
   - H-Wharf Revitalization Project
   - New Administration Building Project
   - Golf Pier Project
   - Warehouse #1 Project
   - Waterline Replacement and Relocation

2. Refinancing of Port Outstanding Loans
   - $12M ANZ Loan
   - $10M Bank of Guam Loan (SLE Loan)
   - $2M USDA Loan

Through various meetings of PAG, GEDA and Bond representatives, the Port Bond Financing Program is at its final stages. In order to effectuate the closing documents for the bond issuance, the following Board action is necessary.

Port Board Action/Recommendation:

1. **$3.5M ANZ Equipment Loan – Balance Payoff**

   Public Law 34-70 provides that for any refinancing, savings must be two percent (2%) or greater. The $3.5M ANZ Loan is below the threshold of 2% and is unable to be refinanced through the bond. Request is therefore being made for the Board to authorize management to pay off the balance using Port funds which has been budgeted in the Port FY2018 approved budget.

   Board Action: Motion to authorize management to pay off the balance of the $3.5 ANZ Equipment Loan estimated at $2,111,214.48 as of July 2018.

2. **Cost of Issuance**

   Public Law 34-70 provides that for any costs or expenses relating to the authorization, issuance or sale of bonds shall be in an amount not to exceed two percent (2%) of issuance. The Cost of Issuance in bond service is outlined as follows:

Description	**Amount**
Cost of Issuance	$1,995,616.25
Less 2% Par Limit	$1,428,900.00
PAG Share	**$566,716.25**

   Board Action: Motion to authorize management to pay the PAG Share of $566,716.25 for the Cost of Issuance from the following Port funding source:

Port Funding Source	**Amount**
SLE Loan Reserve Funds	$444,077.21
Budgeted Debt Service	$122,639.04
Total:	**$566,716.25**

I am available should you have any questions.

ALFRED F. DUENAS
Acting