Speaker's Office <speaker@guamlegislature.org>

M&C Fwd: Port Authority of Guam's Fiscal Year 2018 Citizen Centric Report

1 message

Speaker's Office <speaker@guamlegislature.org> Thu, Jul 18, 2019 at 9:11 AM
To: Clerks Office <clerks@guamlegislature.org>
Cc: Rennae Meno <rennae@guamlegislature.org>
Bcc: Tina Muna Barnes <tinamunabarnes@gmail.com>

07-17-19	4:41 PM	07-17-19	Fiscal Year 2018 Citizen Centric Report.*	Port Authority of Guam	35GL-19-0758

Sinsenru yan Minagâhet,

Office of the Speaker • Tina Rose Muña Barnes
Committee on Public Accountability, Human Resources & the Guam Buildup

35th Guam Legislature
I Mina'trentai Singko na Liheslaturan Guåhan

Guam Congress Building | 163 Chalan Santo Papa | Hagatna, GU 96910
T: (671) 477-2520/1
speaker@guamlegislature.org

35GL-19-0758
Speaker Tina Rose Muña Barnes

JUL 17 2019
Time 4:41 ( )AM (X)PM
Received By: Matt

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Gumai pribilehu yan konfedensia este siha na mensâhi. Solo espesiâtmente para hâgu ma entensioña pat ma aturisa para unrisibi. Sen prubidu kumu ti un ma aturisa para manribisa, na'setbe, pat mandespâtcha. Yanggen lachi rinisibu-mu nu este na mensâhi , put fabot ago' guatu gi I numa'huyong gi as speaker@guamlegislature.org yan despues destrosa todu siha I kopian mensâhi. Si Yu'os ma'âse'.

---------- Forwarded message ---------
From: **Jojo Guevara III** <jbguevara@portguam.com>
Date: Wed, Jul 17, 2019 at 4:41 PM
Subject: Port Authority of Guam's Fiscal Year 2018 Citizen Centric Report
To: <speaker@guamlegislature.org>, Benjamin Cruz <bjcruz@guamopa.com>
Cc: <mbrillante@guamopa.com>, Rory J Respicio <rjrespicio@portguam.com>, Dominic Muna <dgmuna@portguam.com>, Connie Shinohara <cshinohara@portguam.com>

Hafa Adai Speaker Barnes and Public Auditor Cruz,

In compliance with Title 1 Guam Code Annotated (GCA) Chapter 19 §1922(a), attached is the Port Authority of Guam's Fiscal Year 2018 Citizen Centric Report.

Should you have any questions regarding this matter, please contact me at 477-5931 ext. 323 or through email.

Thank you.

Senseramente,

Jojo Guevara
Financial Affairs Controller
(W) 671 477-5931 ext.323
(C) 671 727-2172

2019 JUL 18 AM 9:31

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PORT AUTHORITY OF GUAM
Citizen Centric Report

2018

PORT OF GUAM

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Strategic Goals:

To modernize the Port as a first class facility in the region.

Provide cargo services in a safe, efficient and sustainable manner.

Promote economic growth and opportunities for maritime related industries.

Address the needs of Port Users.

43 years of Service to Guam and the Region



CITIZEN-CENTRIC REPORTING CCR AGA



About the Authority

The Port Authority of Guam was established as a public corporation and autonomous agency of the government by Public Law 13-87 in October 1975. The Port operates the only commercial seaport in the Territory and, as the primary seaport in Micronesia, serves as a transshipment point for the entire Western Pacific region. It operates the largest U.S. deepwater port in the region and currently handles about 1-2 million tons of cargo a year. The Port owns four cargo-handling piers, along with two fuel piers and three marinas. The cost for operations and capital improvements are funded largely from the Authority's own revenues.

The Authority is presided over by five board members appointed by the Governor of Guam with the advice and consent of the Legislature. The Board of Directors appoints the General Manager and Deputy General Managers who are responsible for maintenance, operation and development of the Port and the agency's business affairs.

With more than 90% of the region's goods and supplies passing over its dock, the Port's impact on the quality and sustenance of life for residents of the region cannot be overstated. Primarily dependent on the importation of goods, the Port is truly the lifeline between the Western Pacific Region and the rest of the world.

The Port facilities were designed in the 1960s and put into service in 1969. Through a June 2008 Memorandum of Understanding, the Port partnered with the US DOT Maritime Administration (MARAD) to develop the Guam Commercial Port Improvement Program (GCPI). In September 2010, $50 million was transferred from the Department of Defense to the "Port of Guam Improvement Enterprise Fund", allowing for the completion of the GCPI Program in October 2015. The Port is now positioned to meet the demands associated with organic growth and the military buildup on Guam.

Mission Statement

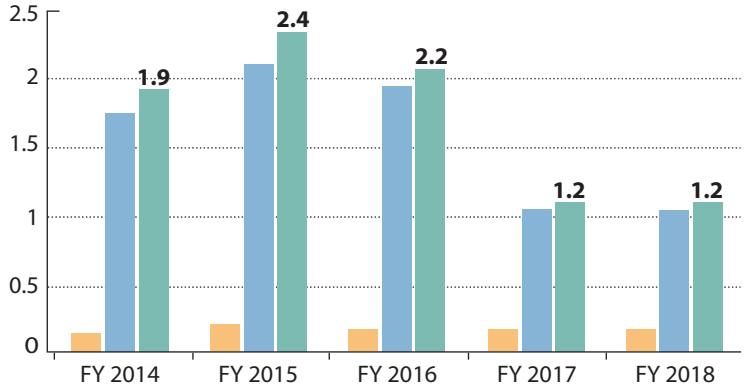
The Port Authority of Guam is dedicated to providing full services to ocean vessels in support of loading and unloading cargo for Guam and Micronesia. PAG is the main lifeline of consumer goods into the island, and as such, recognizes its responsibility to deliver these goods in a timely and efficient manner. In support of this mission, the Port also provides land and infrastructure to private interests to further develop the maritime industries on Guam. As a public corporation, the Port dedicates all of its profits to the upgrading of equipment and facilities and the continued growth of the island's seaport.

Doc. No. 35GL-19-0758.*

How Are We Doing – A Performance Report on Key Missions and Service

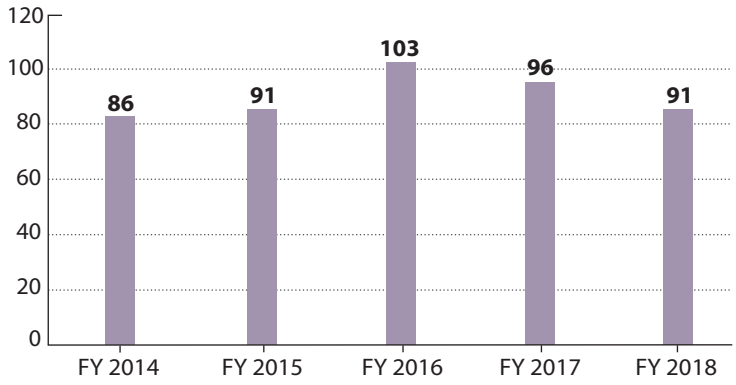
Breakbulk **Container** **Total Cargo Revenue Tons**

Total Revenue Tons (in millions)



The number of containers handled in Fiscal year 2018 decreased by 5% from 96 thousand in Fiscal Year 2017 to 91 thousand in Fiscal Year 2018.
The total cargos in FY 18 decreased by 2% based on the total revenue tonnage. In FY 17 the total revenue tonnage was 1,210,636, while in FY 18 the total was 1,190,895 revenue tons.

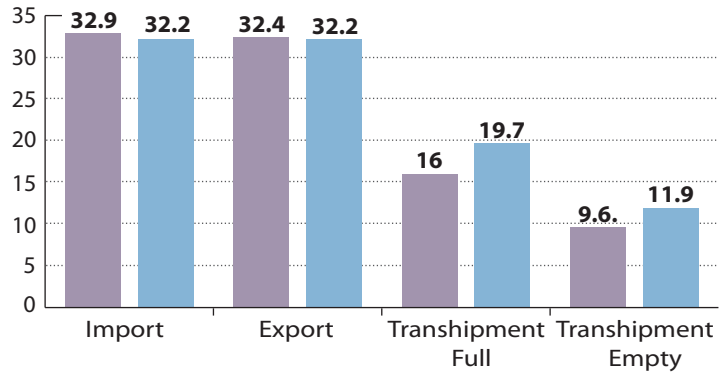
Total Containers Handled (in thousands)



Although the number of containers decreased by 5%, the total weight for containers handled in FY 18 decreased only by .1% as compared to the total revenue tonnage for containers in FY 17. Breakbulk tonnage decreased by 51%, from 8 thousand in FY 18 to almost 4 thousand in FY 17.

FY18 - FY17 Container Count Breakdown (in thousands)

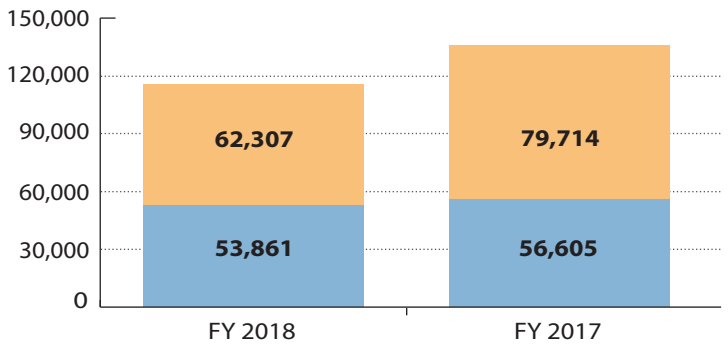
FY 2018 **FY 2017**



The number of containers handled locally had a slight increase in FY 2018 as compared to FY 2017. Import Containers increased by 2%, from 32.2 thousand containers in FY 17 to 33 thousand containers in FY 18. Export containers increased by 1% from 32 thousand in FY 17 to 32.4 thousand in FY 18. Transshipment containers decreased by 19% for full and empty containers. Transshipment Full decreased by almost 4 thousand, from 19.7 thousand in FY 17 to 16 thousand in FY 18, while transshipment Empty decreased by more than 2 thousand from 11.9 thousand in FY 17 to 9.6 thousand in FY 18.

FY 18 - FY 17 Breakbulk Cargos (in tonnage)

Domestic **Foreign**



In FY 18, the Port handled 116 thousand revenue tonnage in breakbulk cargos. This is a 15% decrease as compared to 136 thousand revenue tonnage in FY 17. Domestic breakbulk cargos decreased by 5%, from 57 thousand revenue tonnage in FY 17 to 54 thousand in FY 18. Foreign breakbulk cargos decreased by 22%, from 80 thousand in FY 17 to 62 thousand in FY 18.

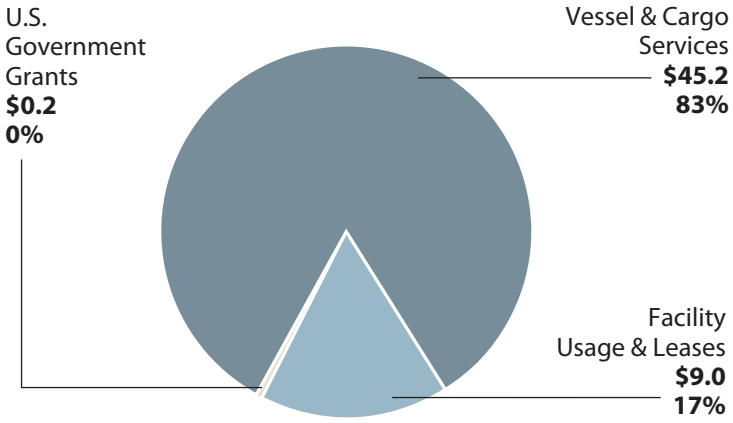




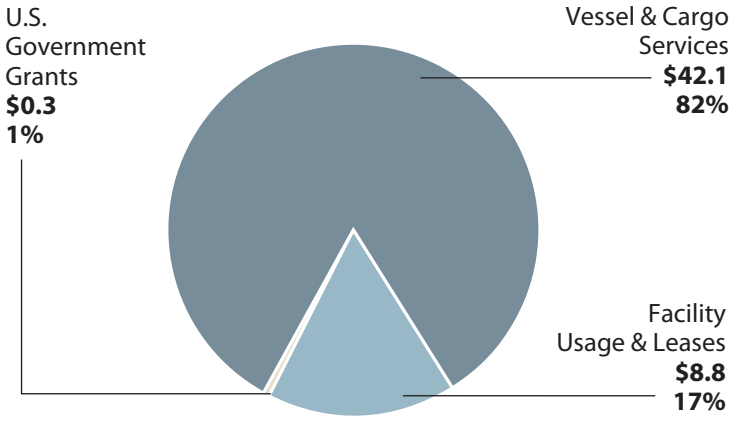


The Port's Finances – Revenues and Expenses

Primary Sources of Port Revenues — FY 2018

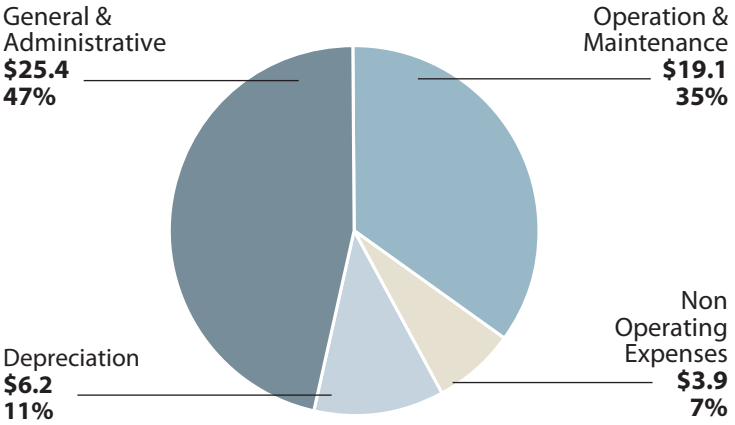


Primary Sources of Port Revenues — FY 2017

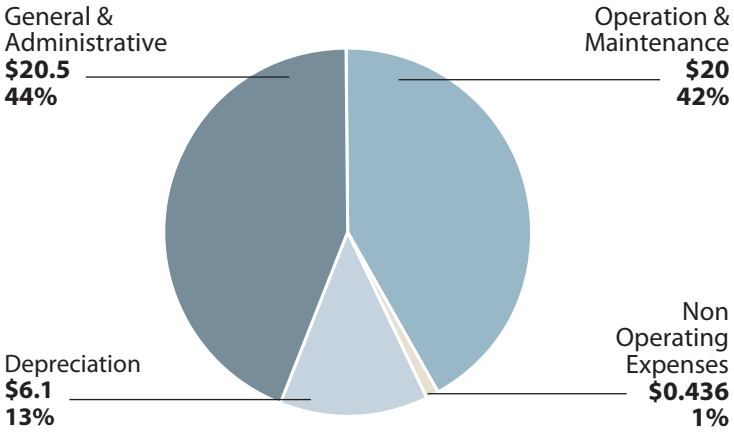


- Vessel and cargo services revenues in FY 2018 increased by $3.0 million. The increase was primarily due to the tariff rate implementation.
- Facility usage and leases increased by $246 thousand, from FY 2017 to FY 2018. Increase were primarily due to fuel through put volume handled in 2018 and storage charges on cargoes.
- Federal contributions in FY 2018 decreased by $77 thousand, from $310 thousand in FY 2017 to $233 thousand in FY 2017. Decrease was a result of the completed federal projects in FY2017.

Primary Uses of Port Expenses — FY 2018



Primary Uses of Port Expenses — FY 2017



In Fiscal Year 2018, total operating expenses were $44.5 million and non-operating expenses were $3.9 million. Operating expense decreased by $1.5 million and non-operating expenses increased $3.4 million compared to fiscal year 2017. Operating expenses for General Expense increased by $517 thousand, Management & Administration decreased $389 thousand, Operations decreased by $1.3 million. Non-operating expenses increased by $3.5 million, due to payoff interest expense of refinanced loans, interest and cost of issuance expense for the 2018 bonds and the decrease of grant revenues in FY2018.

Financial Highlights

- The net position of the Authority as of September 30, 2018 was $12 million. Of this amount, $89.29 million is net investment in capital assets, $35.6 million is considered restricted and $(113.6) million is considered unrestricted.
- The Port's net position decreased by $103 thousand for fiscal year ended September 30, 2018.
- The Port's total assets increased by $58.7 million during the fiscal year ended September 30,2018. The major component of this change was an increase in restricted cash and cash equivalents related to the Port's 2018 Bond Proceeds.
- The total liabilities increased by $49.7 million during fiscal year ended September 30, 2018. The major component of this change was an increase in long term liabilities due to the bond proceeds.

PAG's financial statements for Fiscal Year 2018 received a clean opinion from the auditors of Deloitte & Touche. To view the Annual Audit Report or for more information visit: www.portguam.com

The Port's Future

The combination of over four decades of active use and with the increased cargo-handling demands associated with future island growth and the near-term proposed military build-up has led to the Port's execution of a Port Improvement Program. The PIP is adjusted annually in relation to the Port's objectives over the next five years. The Port's facilities and equipment needs are evaluated each year, and new projects are included based on the highest priority.

Over the next five years, the Port will be engaged in Port Improvement Program projects to support the Port's future challenges and economic outlook. Of those, approximately $74.5 million are CIP projects. The remaining projects focus on sustaining the Port's facilities and equipment including minor repairs, and renewal and replacements of equipment.

Projects[1]

- Hotel Wharf and Access Road Revitalization and Upgrades
- New Administration Building
- Waterline Replacement and Relocation
- EQMR Building Repairs and Upgrades
- F-1 Fuel Pier Upgrades
- Warehouse 1 Repairs and Upgrades
- Gate Operating System
- Golf Pier Repairs and Improvements
- Hagåtña Marina Phase III
- Financial Management System
- Agat Marina Loading Dock Structural Repair
- Pre-Disaster Mitigation Hardening of
- Port Facilities
- Terminal Operating System
- Agat Marina Dock B Repairs
- Load Center Refurbishment & Hardening
- Harbor of Refuge Renovations
- Data Warehousing Systems
- LAN Infrastructure Upgrades
- Maintenance and Sustainment of Prime
- Power Generators
- Port Police Security Upgrade
- GDP Marina / Agat Marina Wi-Fi Digital Connectivity















[1]Representative list may not include all potential projects

The Port currently estimates that approximately $74 million will be needed to fund its 2018-2022 Five Year Capital Improvement Plan. These infrastructure upgrades will be funded through various sources including 2018 bonds, Federal Government grants and the PAG's revenues.

Give us your opinion, please tell us what you think about our report by contacting webmaster@portguam.com