**clerks@guamlegislature.org**

**From:** Speaker's Office <speaker@guamlegislature.org>
**Sent:** Monday, July 13, 2020 10:40 AM
**To:** Clerks Office
**Cc:** Rennae Meno
**Subject:** M&C Fwd: PAG FY 2019 CCR
**Attachments:** PAG FY2019 Citizen Centric Report.pdf; Email-PAG FY 2019 CCR.pdf

| | | | | | |
|---|---|---|---|---|---|
| 07-10-20 | 5:09 PM | 07-10-20 | FY 2019 CCR.* | Port Authority of Guam | 35GL-20-1992 |


*Sinseru yan Minagåhet,*

**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



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


---------- Forwarded message ---------
From: **Jojo B. Guevara** <jbguevara@portofguam.com>
Date: Fri, Jul 10, 2020 at 5:09 PM
Subject: PAG FY 2019 CCR
To: <speaker@guamlegislature.org>
Cc: Rory J. Respicio <rjrespicio@portofguam.com>, Luis R. Baza <lrbaza@portofguam.com>, Dominic G. Muna <dgmuna@portofguam.com>, Margret Duenas <mduenas@portofguam.com>

Hafa Adai Speaker Barnes,

Pursuant to Title 1 Guam Code Annotated Chapter 19 §1922(a), the Port submits its FY 2019 CCR. Should you have any questions, you may contact General Manager Rory J. Respicio at rjrespicio@portofguam.com .

Si Yu'os Ma'ase

Jose B. Guevara III

Financial Affairs Controller

Speaker's Office <speaker@guamlegislature.org>

# PAG FY 2019 CCR

1 message

**Jojo B. Guevara** <jbguevara@portofguam.com> Fri, Jul 10, 2020 at 5:09 PM
To: speaker@guamlegislature.org
Cc: "Rory J. Respicio" <rjrespicio@portofguam.com>, "Luis R. Baza" <lrbaza@portofguam.com>, "Dominic G. Muna" <dgmuna@portofguam.com>, Margret Duenas <mduenas@portofguam.com>

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35GL-20-1992
Speaker Tina Rose Muña Barnes

JUL 10 2020
Time 5:09 ( )AM (X)PM
Received By: MGH

Si Yu'os Ma'ase

Jose B. Guevara III

Financial Affairs Controller

**PAG FY2019 Citizen Centric Report.pdf**
17651K

# PORT AUTHORITY OF GUAM
## Citizen-Centric Report

Fiscal Year 2019

PORT OF GUAM

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### Governance and Leadership
### Board of Directors

**Francisco G. Santos**
*Chairman*
**Nathan T. Taimanglo**
*Vice Chairman*
**Isa Marie C. Koki**
*Board Secretary*

### Executive Leadership Group

**Rory J. Respicio**
*General Manager*
**Dominic G. Muna**
*Deputy General Manager, Operations*
**Luis R. Baza**
*Deputy General Manager, Administration and Finance*

### 44 years of Service to Guam and the Region




CITIZEN-CENTRIC REPORTING CCR AGA.




### About Us

The Port Authority of Guam (PAG, Authority, or the Port) 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.

### 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. The Port Authority of Guam 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 Authority of Guam also provides land and infrastructure to private interests to further develop the maritime industries on Guam. As a public corporation, the Port Authority of Guam dedicates all of its profit to the upgrading of equipment and facilities and the continued growth of the island's seaport.

### Our Vision

To modernize the Port as a first class facility in the region providing cargo handling services in a safe, efficient and sustainable manner. To promote economic growth and opportunities for maritime related industries and address the needs of port users.

### Our Employees

**123** Administration

**233** Operations

### Our Customers

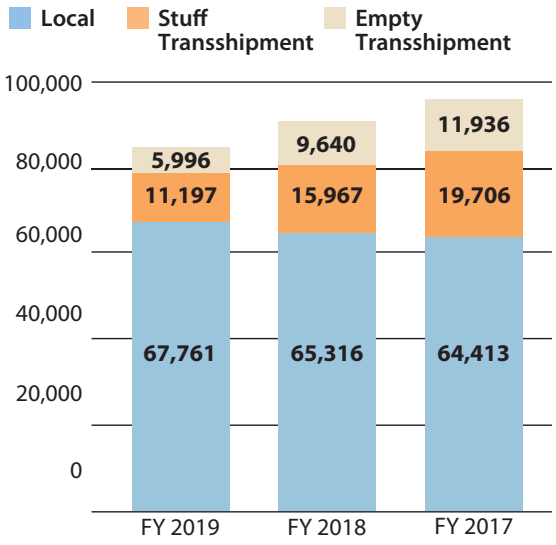
**6** Major Shipping Agents

**202** Other Customers

# The Port's Performance Report - How Are We Doing

The Port Authority of Guam is the largest U.S. deep-water port in the region and currently handles about 1-2 million (M) tons of cargo a year. The Port owns five cargo-handling piers and three marinas. The major basis in gauging annual revenue status of the Port is through the number of cargos it handles each year. Main classifications of cargos are container and non-container (breakbulk) cargos.

## Container Cargos (Count)



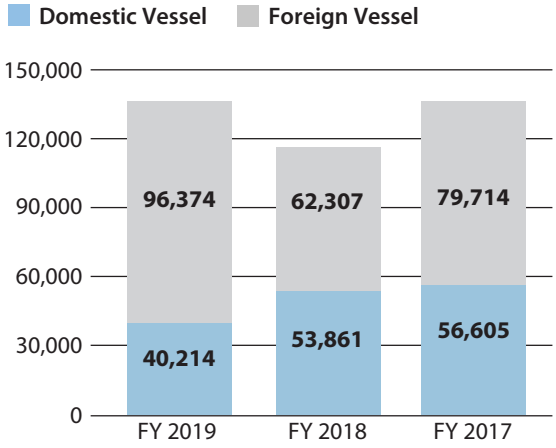




Container cargos are broken down into local and transshipment categories. Local containers contain goods specifically for Guam. Transshipment containers are containers that are received from a vessel for the purpose of passing to another vessel at the Port to be transported to smaller ports in CNMI, Palau, FSM, and RMI. For fiscal year (FY) 2019, the Port handled a total of 84,954 containers. Using FY 2017 as the base year, local containers increased by 1% in FY 2018 and 5% in FY 2019.

## Non-Containerized/Breakbulk Cargos

(Tonnage)

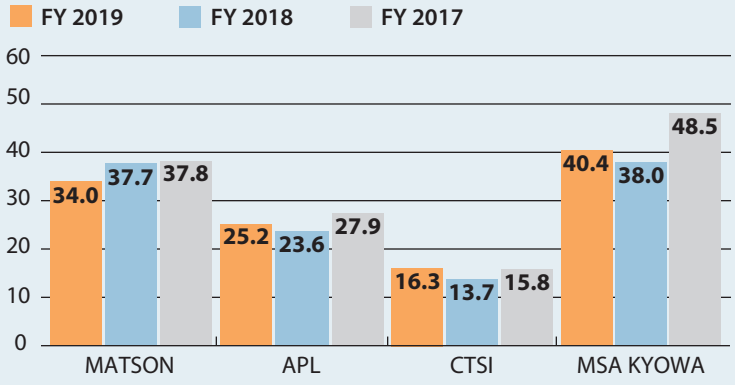






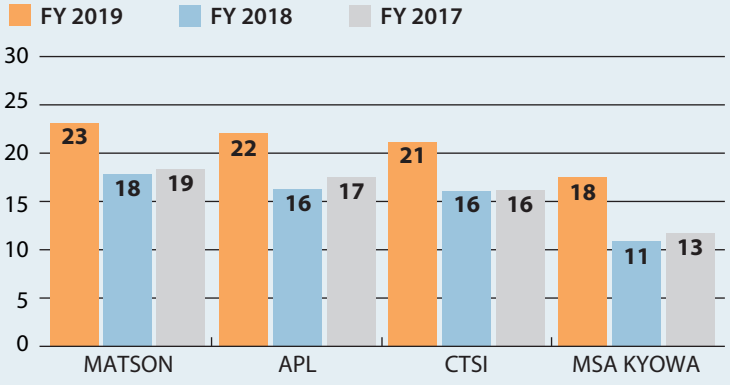
Non-containerized cargo is a cargo that cannot fit into containers and commodities that are more economically transported as breakbulk cargo. On average, approximately 10% of the Port's total cargo tonnage is breakbulk cargo. For FY 2019, breakbulk cargo totalled 136,588 tons.

## Container Vessel Berth Hours




Berth hours shows the average time spent by a vessel along the port waterfront. PAG aims to decrease the berth hours per vessel. In FY 2019, Matson, the largest vessel being handled by PAG, showed an improvement by three berth hours on average.

## Container Vessel Net Moves Per Hour




The container vessel net moves per hour (NMPH) shows the average total container movement divided by the operation hours. PAG's goal is to increase the number of containers in NMPH per year. In FY 2019, all vessels showed improvement by an average of six NMPH.

What would you like to see reported on this page? Please let us know by contacting webmaster@portofguam.com.

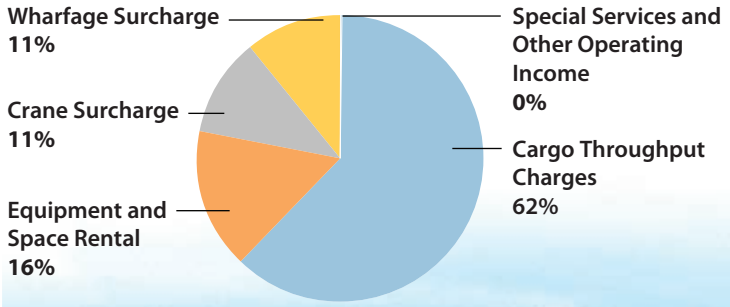


Doc. No. 35GL-20-1992.*

# The Port's Finances – Revenues and Expenses

The Port revenues are derived primarily from various fees and tariffs charged to users and tenants of Port facilities and to agents, carriers and shippers for the movement of cargo through the Port. The cost of operations and capital improvements are funded largely from the Authority's own revenues. 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.

## Primary Sources of Port Revenues — FY 2019

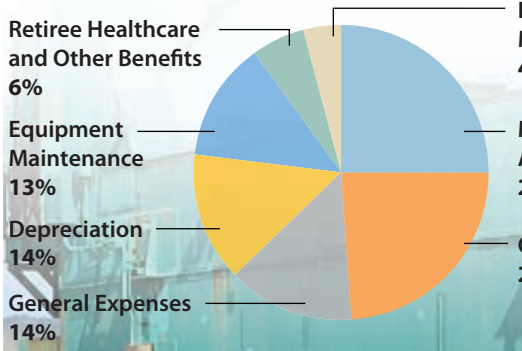



| Operating Revenues (In millions) | FY 2019 | FY 2018 | FY 2017 | FY 19 vs FY18 % Change |
|---|---|---|---|---|
| Cargo Throughput Charges | $34.4 | $33.5 | $30.7 | 2.6% |
| Equipment and Space Rental | $8.8 | $9.0 | $8.8 | -2.0% |
| Crane Surcharge | $5.9 | $6.0 | $6.1 | -1.4% |
| Wharfage Surcharge | $5.8 | $5.4 | $5.0 | 6.2% |
| Special Services and Other Operating Income | $0.4 | $0.3 | $0.3 | 66.5% |
| **Total** | **$55.3** | **$54.2** | **$50.9** | **2.0%** |

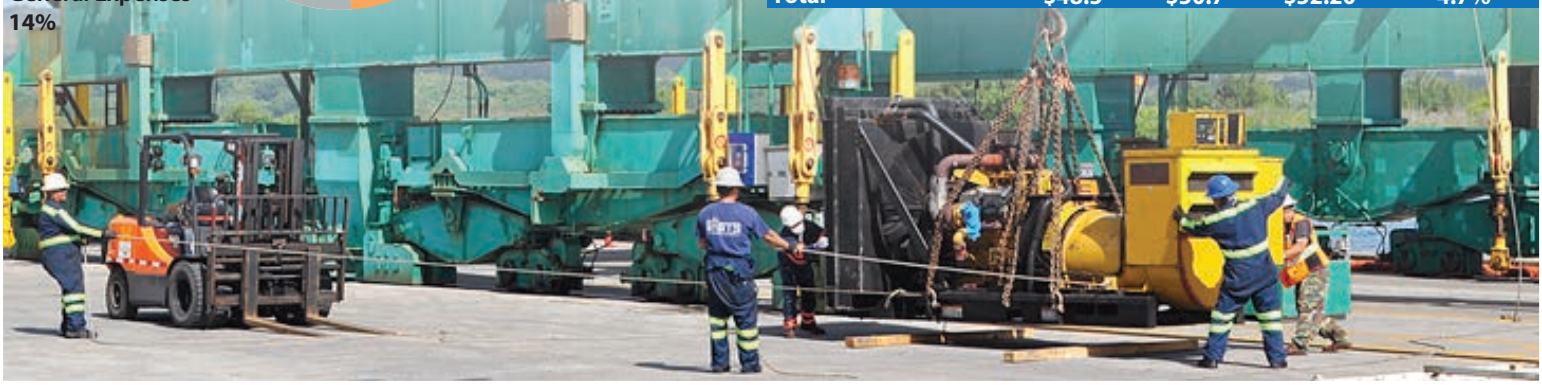


PAG's operating revenues increased by 2% or $1.1M in FY 2019. Revenue increases were primarily due to a 1% tariff rate increase, cargo throughput, wharfage, and other operating income. The increase in other operating income was due to increased activity in passenger vessels as well as income from donated vehicles and heavy equipment from other agencies.

## Primary Sources of Port Expenses — FY 2019




| Operating Expenses (In millions) | FY 2019 | FY 2018 | FY 2017 | FY 19 vs FY18 % Change |
|---|---|---|---|---|
| Management and Administration | $11.9 | $10.4 | $10.8 | 13.7% |
| Operations | $11.8 | $11.1 | $15.2 | 6.7% |
| General Expenses | $6.9 | $8.2 | $6.8 | -16.2% |
| Depreciation | $6.8 | $6.2 | $7.6 | 8.9% |
| Equipment Maintenance | $6.1 | $6.1 | $6.1 | -0.2% |
| Retiree Healthcare and Other Benefits | $3.0 | $6.8 | $3.7 | -56.2% |
| Facility Maintenance | $2.0 | $1.9 | $2.0 | 0.9% |
| **Total** | **$48.5** | **$50.7** | **$52.20** | **-4.7%** |



PAG'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 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.

PAG's financial statements for Fiscal Year 2019 received a clean opinion from the auditors of Deloitte & Touche. To view the Independent Audit Report or for more information visit: www.portofguam.com/about-us/financial-information-and-statistics/annual-financial-audits or www.opaguam.org.



Doc. No. 35GL-20-1992.*

# The Port's Future – Outlook and Challenges

## Outlook

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 (FMS).

**Hotel Wharf and Access Road Revitalization and Upgrades**



**EQMR Building Repairs and Upgrades**



**Warehouse 1 Repairs and Upgrades**



**Golf Pier and F1**



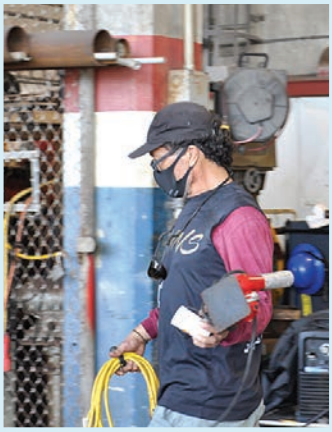
**FMS Upgrade – JDE Enterprise One**




## Challenges

The novel coronavirus outbreak was declared a Global Health Emergency by the World Health Organization on January 30, 2020. Since the Port receives 90% of all goods coming into our island and is critical in ensuring the continuity of the supply chain throughout our region, the Governor has deemed the Port an essential agency. While this matter is expected to impact the Authority's business, results of operations and financial position, the related financial impact cannot be reasonably estimated at this time. To capture all COVID-19 related expenses, a separate GL account was created and will be reported in the FY 2020 financial audit.



We want to hear from you. Do you believe our report should include any other information? Let us know by contacting webmaster@portofguam.com.