

BOARD OF DIRECTORS

*Francisco G. Santos, Chairman
Oscar A. Calvo, Vice Chairman
Melanie R. Mendiola, Board Secretary
Maria D.R. Taitano, Member
Nathan T. Taimanglo, Member*



Resolution No. 2018-02

**RELATIVE TO AUTHORIZING THE PORT AUTHORITY OF GUAM
TO ESTABLISH A WORKING CAPITAL RESERVE FUND
FOR OPERATIONS AND MAINTENANCE**

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE PORT AUTHORITY OF GUAM:

WHEREAS, under 12 G.C.A. Chapter 10, the Port Authority of Guam (Port) has the authority over financial and policy matters; and

WHEREAS, the Port recognizes the need to establish and implement a working capital reserve fund for operations and maintenance to ensure continuity of services; and

WHEREAS, the Port also recognizes that sound financial management entails the preservation of adequate financial reserves to cover cash flow variations from short term volatility in revenues and expenses and unanticipated and unforeseeable expenses; and

WHEREAS, the Port further recognizes that the financial reserves are one of the major components that bond rating agencies study in determining the creditworthiness of an issuer which in turn can impact interest rates on debt issuance; now therefore be it

RESOLVED, the Port Authority Board of Directors authorizes management to establish a working capital reserve fund and implement policy to this effect, and establish an account designated as Working Capital Reserve to include other accounts necessary to meet the bond requirements; and be it further

RESOLVED, the Chairman certify to, and the Secretary attest to, the adoption hereof and that a copy of this resolution be sent to the Public Utilities Commission and Guam Economic Development Authority.

**PASSED AND ADOPTED UNANIMOUSLY BY THE BOARD OF
DIRECTORS THIS 19th DAY OF APRIL, 2018.**

**FRANCISCO G. SANTOS
CHAIRMAN, BOARD OF DIRECTORS
PORT AUTHORITY OF GUAM**

**MELANIE R. MENDIOLA
SECRETARY, BOARD OF DIRECTORS
PORT AUTHORITY OF GUAM**

