

PORT AUTHORITY OF GUAM

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NEWS RELEASE

Board authorizes GM to seek legislative solution to revenue bond issue

Piti, Guam, March 24, 2022: The Port Authority of Guam Board of Directors today passed a resolution authorizing management to present to the Governor of Guam and 36th Guam Legislature Oversight Committee chairperson a request to introduce proposed legislation to amend Public Law 35-44 relative to projects funded by revenue bonds.

As part of the Port's modernization program, the Port through Public Law 34-70 obtained \$71,445,000 in revenue bonds to finance certain capital improvements and to refinance all or a portion of outstanding loans of the Port Authority. Public Law 35-44 authorized the reprogramming of the Port Authority revenue bond proceeds and amending the capital improvement projects, however the construction cost associated with the repairs exceeded those outlined in Public Laws 34-70 and 35-44 and the engineering cost estimates outlined in the revenue bond mandates obtained back in 2014 are have always been severely underfunded. The Port tried different avenues, but have been unable to move forward with the projects due to the constraints in the law. Today, the Board indicated that they do not want the Port's modernization program to be further delayed nor jeopardized as a result of the legislative funding caps strictly tied to the 2018 Revenue Bond funds outlined in Public Law 34-70 and 35-44 and they adopted Resolution No. 2022-10 which authorizes the General Manager to engage with Guam Economic Development Authority, members of the Guam Legislature, and Governor Leon Guerrero on any possible legislative remedies to remove the funding caps associated with the project created by Public Laws 34-70 and 35-44.

Meanwhile in other Board action today, the Board recognized and honored a court decision by former port police officer Eddie Castro putting to end a nine year legal battle. The General Manager reminded the Board that this was not a settlement, but the enforcement of the court orders. Castro was fired and appealed his termination to the Civil Service Commission and the CSC ruled in favor of Management, but voted to modify Castro's termination into a demotion to a "Guard (unarmed)" position. Former Port management and legal counsel spent years appealing and fighting the case throughout the courts and then on June 24, 2021, the Supreme Court issued its Opinion ruling in favor of Castro. The Supreme Court held that the trial court should have granted the Port's petition only in part, remanding to the CSC for the limited purpose of correcting the appropriate position for Employee's "severest demotion," and thus, vacated the Superior Court's decision upholding the CSC's decision to terminate Castro. Subsequently, the Supreme Court remanded the matter back to the Superior Court for further proceedings consistent with its Opinion and also remanded the matter to the Superior Court to determine attorney fees and costs. On December 23, 2021, the Port Board passed and adopted a resolution which gave the General Manager the authority to enter into a Stipulated Judgment resolving all litigation. Today, the Board passed Resolution No. 2022-09 which agrees to satisfy the judgment with \$208,370.94 in back wages, reinstatement of sick leave hours and annual leave hours owed, reasonable legal fees and to remit to Retirement Fund retirement benefits owed to employee. -30-

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