

# PORT AUTHORITY OF GUAM

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## NEWS RELEASE

### Board Unanimously Approves FY21 Budget

**Piti, Guam, September 24, 2020:** The Port Authority of Guam Board of Directors today unanimously approved the agency's Fiscal Year 2021 budget.

The budget that the board approved during their monthly meeting takes a conservative approach based on zero-based budgeting principles. The FY21 approved Operating budget is \$47,833,255. The previous Fiscal Year budget for 2020 was \$48,011,259.

"The approved FY21 budget is aligned with the Leon Guerrero Tenorio Administration and Board's vision and goals and it keeps the Port fiscally responsible," said Port General Manager Rory J. Respicio. "This budget was prepared with a 'zero-based budgeting' mindset and focuses on fiscal discipline along with realistic spending plans while identifying continued potential cost savings. I am pleased that the Board recognized that this FY21 budget represents our best estimation of the resources, operational and capital requirements for the upcoming fiscal year. This budget builds our financial posture to meet our operational needs and exceeds the minimum requirements of the bond raters."

The Port's revenue projection for FY21 is based on the revenue collected from March 2020 through July 2020 and extrapolated over 12 months and projects federal reimbursements which provides a conservative revenue projection of \$48,063,533, which is roughly \$1.0M million less from last year's revenue estimate.

The FY19 budget included salaries and benefits that were not budgeted by \$2 million due to implementing a 25<sup>th</sup> market percentile salary. Through prudent fiscal management, strong internal controls, and cost containment, the Port managed to maintain the initial budget expense figure, absorbing the \$2 million *shortfall* and allocating \$3.1 million for past personnel issues. Because of these measures, the Port finished FY19 with a net income of \$3.5 million. The Port went from a loss of \$103 thousand in FY18 to earning nearly \$7.5 million in just one year. In the face of all the financial challenges the Port experienced in FY19, the agency accomplished a Debt Service Coverage Ratio (DSCR) of 2.3, almost a 100% increase as compared to the bond indenture requirement of a 1.25 ratio. The Port also notably improved the Daily Cash on Hand from 869 days to 966 days. A copy of the approved FY21 budget can be found on the Port's website at [www.portofguam.com](http://www.portofguam.com)

-30-