

BOARD OF DIRECTORS

*Dorothy P. Harris, Chairperson
Conchita S.N. Taitano, Vice Chairperson
Fe R. Valencia-Ovalles, Board Secretary*



Resolution No. 2025-02

RELATIVE TO ESTABLISHING PROVISIONS FOR THE CONTINUATION OF FY2025 BUDGET ALLOCATIONS AND BUDGET CEILING ADJUSTMENTS FOR FY2026 AND FY2027, IF NECESSARY, TO ENSURE OPERATIONAL CONTINUITY, AND AUTHORIZING THE GENERAL MANAGER TO TEMPORARILY EXERCISE BOARD POWERS TO MAINTAIN OPERATIONAL CAPACITY IN THE EVENT OF QUORUM ISSUES DUE TO THE 38TH GUAM LEGISLATURE'S FAILURE TO CONFIRM GOVERNOR LOU LEON GUERRERO'S NOMINEES, RESULTING IN AN INSUFFICIENT CONSTITUTION OF THE JOSE D. LEON GUERRERO COMMERCIAL PORT BOARD MEMBERS.

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

WHEREAS, pursuant to 12 GCA § 10109, the Board of Directors of the Port Authority of Guam is required to maintain the Port Authority Fund to ensure the operations and obligations of the Authority are met; and

WHEREAS, the Board's duties are mandated by 12 GCA § 10104, and its powers are defined by 12 GCA § 10105, which includes the administration and development of the Port's infrastructure, policies, and finances; and

WHEREAS, the General Manager, as the chief executive officer of the Port Authority of Guam, is mandated by 12 GCA § 10106 to ensure the maintenance, operation, and development of the Port's administration and business affairs and to enforce the Board's rules and regulations; and

WHEREAS, the annual budget for FY2024 has been duly promulgated and serves as the financial blueprint for the administration of the Port Authority Fund; and

WHEREAS, to ensure operational continuity, the FY2024 budget shall serve as the default financial framework in the event no superseding annual budget is adopted by the Board for FY2026, FY2027, or subsequent fiscal years; and

WHEREAS, the General Manager is authorized to exercise discretion to increase spending over and above the FY2024 budget by an amount calculated at up to three percent (3%) compounded annually for each fiscal year subsequent to FY2024 in the absence of a new budget; and

WHEREAS, during periods when the Board of Directors lacks a quorum due to an insufficient constitution of its members, and when potential members sufficient to attain quorum are pending legislative confirmation, the General Manager is authorized to present necessary matters to the Guam Public Utilities Commission for approval, as required under 12 GCA § 12004 and PAG Docket Order 09-01, now, therefore, be it

RESOLVED, that in the unfortunate event the Legislature fails to confirm the Governor's nominees, preventing the Board from meeting due to an insufficient constitution, the following objectives are adopted as the foundational framework for the General Manager's operations to ensure the Port's continued success and alignment with its mission:

1. The FY2024 budget shall continue to serve as the operational and financial framework for the Port Authority of Guam in the absence of a superseding annual budget, unless otherwise directed by the Board.
2. The General Manager is authorized to administer the FY2024 budget and exercise discretion to increase spending up to three percent (3%) compounded annually for each fiscal year subsequent to FY2024, ensuring financial adaptability and operational sustainability.
3. In the event of a lack of quorum within the Board, the General Manager is empowered to present matters requiring Guam Public Utilities Commission approval without prior Board authorization, pursuant to 12 GCA § 12004 and PAG Docket Order 09-01.



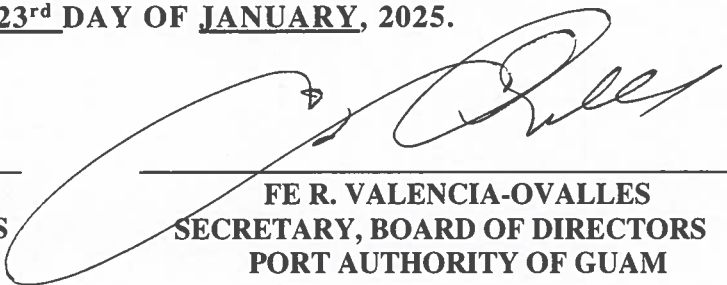
4. The Board, through the adoption of this resolution, underscores the continued prioritization of infrastructure modernization efforts, including updates to the Master Plan, gantry crane replacement, Hotel Wharf rehabilitation, and fuel pier upgrades, and the General Manager shall continue to explore federal and local grant opportunities to fund these projects.
5. The Board directs the General Manager to develop and implement revenue enhancement methodologies, including mechanisms within the tariff for full utilization, and to strategize balancing operational costs with revenue growth.
6. The Board shall ensure compliance with all applicable laws and PUC orders by updating internal policies, reviewing procurement procedures, and implementing equitable workload distribution practices through desk audits.
7. The General Manager is instructed to advance the Port's zero-emission and zero-waste goals by investing in green technology and establishing community partnerships for environmental stewardship programs.
8. Workforce development initiatives, including employee training, cross-training, and mentorship programs, shall be enhanced to improve operational efficiency and adaptability.
9. The Board commits to community engagement by fostering public-private partnerships, maintaining transparent communication with stakeholders, and collaborating with local businesses and organizations.
10. Contingency and resilience planning shall be strengthened to address natural disasters, global supply chain disruptions, and cybersecurity threats to the Port's operations.
11. The Board supports strategic partnerships with federal agencies and regional ports to align with Guam's broader economic and national security goals; and be it further

RESOLVED, that the Chairperson certify to, and the Secretary attest to, the adoption hereof.

PASSED AND ADOPTED UNANIMOUSLY BY THE BOARD OF DIRECTORS THIS 23rd DAY OF JANUARY, 2025.



**DOROTHY P. HARRIS
CHAIRPERSON, BOARD OF DIRECTORS
PORT AUTHORITY OF GUAM**



**FE R. VALENCIA-OVALLES
SECRETARY, BOARD OF DIRECTORS
PORT AUTHORITY OF GUAM**

