

From: Speaker's Office <speaker@guamlegislature.org>
Sent: Thursday, July 30, 2020 2:48 PM
To: Clerks Office
Cc: Rennae Meno
Subject: M&C Fwd: ATTACHED - GIAA FY 2019 Citizen Centric Report
Attachments: CCR_FY_2019_FINAL_07-29-20-1.pdf; Email-GIAA FY2019 Citizen Centric Report.pdf

07-30-20	9:09 AM	07-30-20	FY2019 Citizen Centric Report.*	A.B. Won Pat International Airport Authority	35GL-20-2066
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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 | Hagåtña, GU 96910
T: (671) 477-2520/1
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Gumai pribilehu yan konfedensia este siha na mensåhi. Solo espesiåtmente para hågu ma entsioña 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 todú siha I kopian mensåhi. Si Yu'os ma'åse'.

----- Forwarded message -----

From: Marcia D. Taitano <marciad@guamairport.net>
Date: Thu, Jul 30, 2020 at 9:09 AM
Subject: ATTACHED - GIAA FY 2019 Citizen Centric Report
To: <bjacruz@guamopa.com>, <admin@guamopa.com>, <tbagana@guamopa.com>, speaker@guamlegislature.org <speaker@guamlegislature.org>, senatortcnelson@guamlegislature.org <senatortcnelson@guamlegislature.org>
Cc: Rolenda Faasuumalie <rolenda@guamairport.net>, Elfrieda Koshiba <elfrieda@guamairport.net>, Rosie Balajadia <rosieb@guamairport.net>, Cheryl L. Bustos <cherylb@guamairport.net>

Hafa Adai.

Please see attached the A.B. Won Pat International Airport Authority, Guam (GIAA) FY 2019 Citizen Centric Report.

Please acknowledge receipt of this email.

Regards,
Marcia



P.O. Box 8770, Tamuning, Guam 96931
355 Chalan Pasaheru, Tamuning, Guam 96913
TEL (671) 646-0300 FAX (671) 646-8823
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ATTACHED - GIAA FY 2019 Citizen Centric Report

1 message

Marcia D. Taitano <marciad@guamairport.net> Thu, Jul 30, 2020 at 9:08 AM
To: bjcruz@guamopa.com, admin@guamopa.com, tbagana@guamopa.com, "speaker@guamlegislature.org" <speaker@guamlegislature.org>, "senatortcnelson@guamlegislature.org" <senatortcnelson@guamlegislature.org>
Cc: Rolenda Faausuamalie <rolenda@guamairport.net>, Elfrieda Koshiba <elfrieda@guamairport.net>, Rosie Balajadia <rosieb@guamairport.net>, "Cheryl L. Bustos" <cherylb@guamairport.net>

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Marcia

35GL-20-2066
Speaker Tina Rose Muña Barnes

JUL 30 2020
Time 9:09 AM (JPM)
Received By: Matt



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OUR VALUES

Our Organization is founded on the values of Integrity and Commitment to Excellence. We value our people, customers, and our partners!

OUR MISSION

To ensure the safety and security of the traveling public, maintain a superior and reliable level of airport services, and support the development of air services and facilities integral to Guam's economy.

VISION HULO'

Vision Hulo' is a set of initiatives to create growth, development and opportunities for the Airport and Guam. Hulo' in Chamorro means "up", and with over \$200M in projects, the only way is up!



Agency Overview

The A.B. Won Pat International Airport Authority, Guam (GIAA) is a self-sustaining autonomous government agency, fully reliant on generating revenues for its operational requirements. The Authority, through its Board, Management and 203 full-time employees, are stewards of Guam's largest capital investment and government asset -the Guam International Airport. Airport operations contributes (directly, indirectly and induced) over \$2.3 billion annually to Guam's economy.*

Guam's Only Commercial Airport

The Guam International Airport is the island's only commercial service airport, occupying over 1,800 acres of land.

In FY 2019, over 3.6 million passengers were processed, serviced by United Airlines, Air Busan, Air Seoul, Cebu Pacific, China Airlines, Japan Airlines, Jeju Air, Jin Air, Korean Air, Philippine Airlines, T'Way

* 2015 Economic Contribution Study, Leigh Fisher

Air, and Aerospace Concepts (business jet service). All-cargo operators include Asia Pacific Airlines, Federal Express and UPS. Star Marianas and Arctic Circle provide service to the CNMI from Guam, utilizing light aircraft on a scheduled and charter basis for passengers and cargo.

Board, Management and Employees

The Board of Directors consists of seven members and are appointed by the Governor of Guam, and confirmed by the Guam Legislature. The Board sets policy encompassing corporate governance, corporate social responsibility, management initiatives, GIAA's capital improvement program and financial issues that include annual budgets, investment policy, and bond financing.

The Executive Manager and Deputy Executive Manager lead the day-to-day operations, overseeing eight divisions that include Administration, Property Management, Properties and Facilities,

Accounting, Engineering, Operations, Airport Police and Aircraft Rescue and Firefighting (ARFF) divisions.

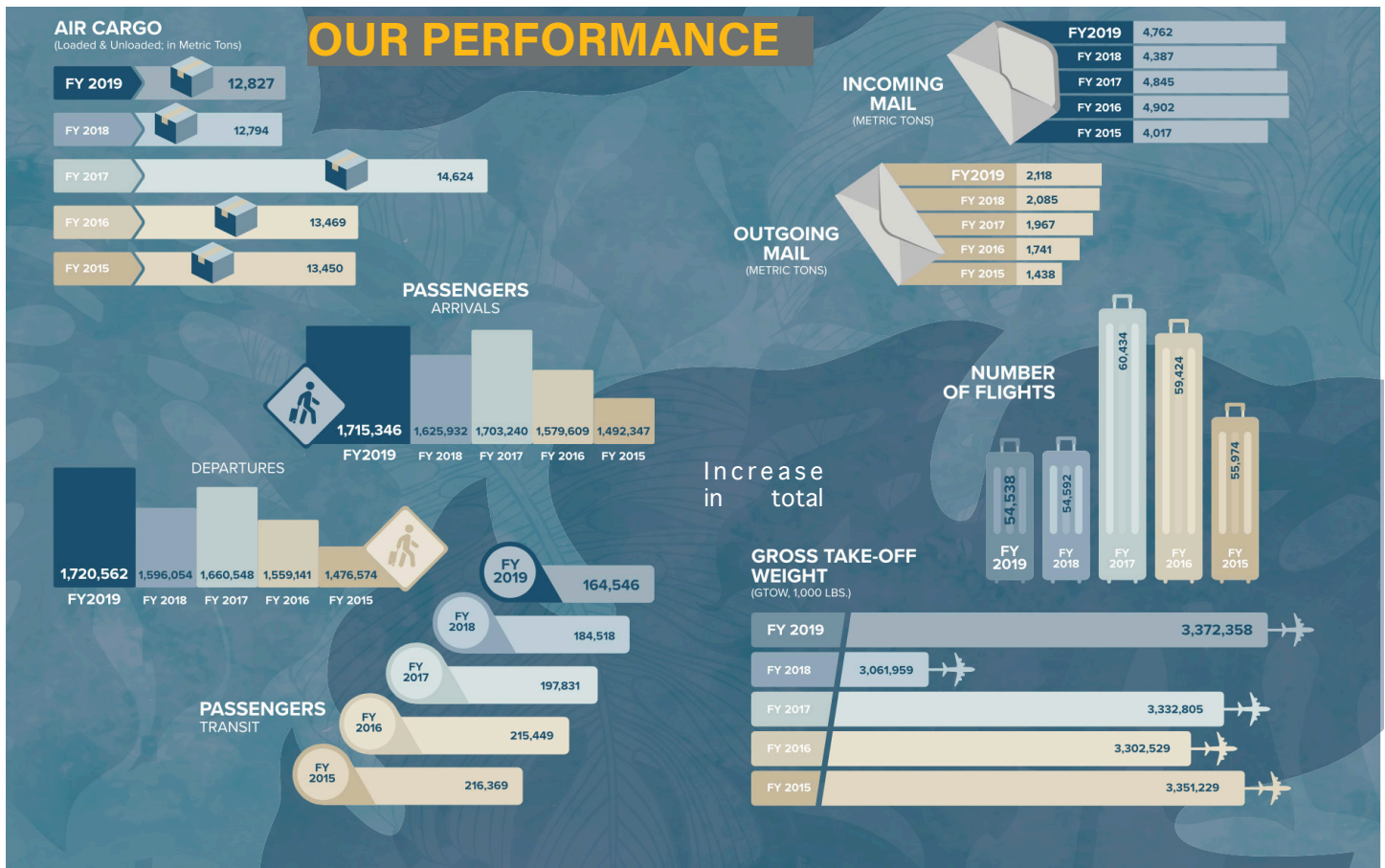
Management Initiatives

Management develops goals and objectives that drive strategic initiatives and formulation of the fiscal budget. These initiatives are based on key areas of Airport management:

- Customer Service
- Facilities and Access
- Economic Development
- Competitive Positioning
- Community Relations
- Governance and Organization

Regulatory Oversight

All aspects of airport operations must comply with rules, regulations and directives of the Federal Aviation Administration (FAA), the Transportation Security Administration (TSA), the US Customs and Border Protection (USCBP), bond covenants, and all applicable federal and local laws.



OPERATIONAL HIGHLIGHTS

5.7% Increase in total passenger movements from 3.4 million in FY 2018 to 3.6 million in FY 2019.

10% Increase in aircraft payload, from 3.06 million lbs. in FY 2018 to 3.37 million lbs. in FY 2019.

10th A ranking of 10th position in the “Top US Ports of Entry for International Arrivals”.
*National Travel and Tourism Office, US Dept. of Commerce (June 2019)

11.5% An 11.5% increase in capital improvement investment, as the International Arrivals Corridor and other projects move toward completion.



AIRPORT PROJECTS

Over \$200 Million in projects are underway, focusing on increasing capacity, facilitating passenger processing, and enhancing safety and security. Highlighted below are prioritized capital improvement projects in FY 2019:

- INT'L ARRIVALS CORRIDOR & ADDED SCREENING LANES \$122M
- AIRCRAFT RESCUE AND FIREFIGHTING FACILITY \$23.4M
- RUNWAY 6L/24R REHABILITATION \$22.3M
- RESIDENTIAL SOUND SOLUTION PROGRAM (70 HOMES)
- AIRPORT APRONS & TAXIWAY REHABILITATION IN PROCUREMENT
- CARGO APRON/FUEL SYSTEM EXTENSION IN PROCUREMENT

International Arrivals Corridor
This \$122M project adds a 3rd floor and a sterile corridor for arriving passengers. In June 2019, Phase I was complete and opened for use.

Security Screening Checkpoint
This project increases screening capacity, adding two more lanes and queue space.

ARFF Facility
A \$23.4M new state-of-the-art facility will be constructed to replace the current ARFF barn.

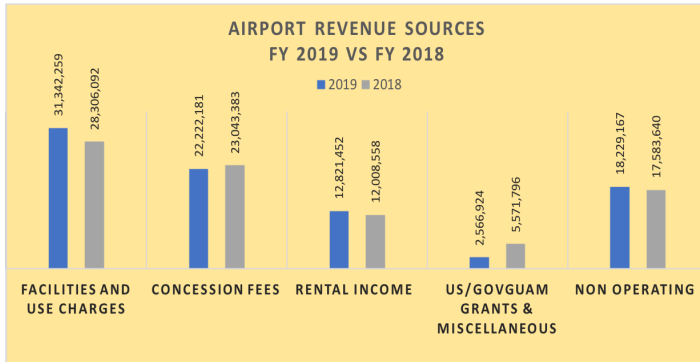
Runway 6L/24R Rehabilitation
Over 9,500 linear feet of the Airport's primary runway will be rehabilitated to maintain integrity and load factor of this important airport asset.

Residential Sound Solutions Program (RSSP)
A community partner-based program, the RSSP mitigates homes affected by airport noise measuring over 65 decibels. In FY 2019, 11 homes were mitigated and 70 homes preliminarily screened.

FY 2019 FINANCES

The audited FY 2019 Financial Statement was prepared by Independent Auditor Ernst & Young. The full report can be viewed at: <https://www.guamairport.com/corporate/reports/financial-reports>. Key information is extracted for reference:

\$87.5 Million in Total Revenue



Operational Revenue of \$69.3 Million

Operational revenues for FY 2019 remained flat year-over-year, which amounted to \$69.3 Million. Operational revenues consist of facilities and use charges, concession fees, rental income, US and GovGuam operating grants, and miscellaneous revenues.

Aeronautical Revenue generated \$35.6 Million and accounted for 51.3% of operational revenue. Non-aeronautical revenue, comprised of concession fees, lease of operating space from non-airline and other tenants, as well as rental and miscellaneous income from other sources, amounted to \$33.7 Million.

Non-Operating Revenue of \$18.2 Million

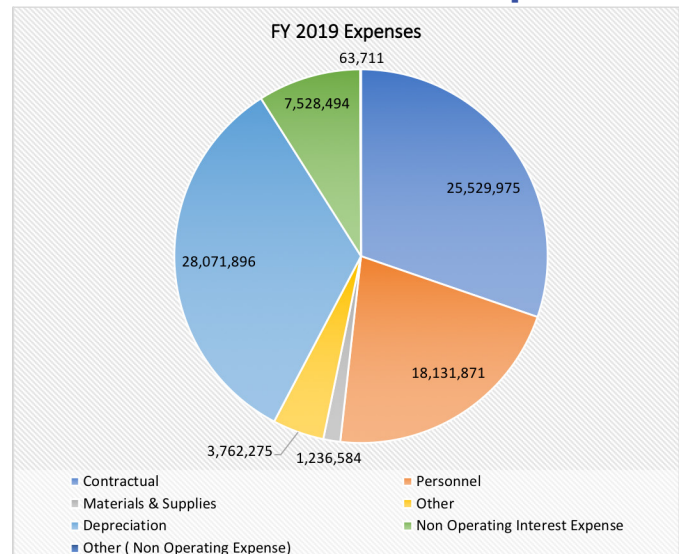
Non-operating revenue, comprised of interest income, passenger facility charges (PFCs), grants from the US government and other sources, increased 3.7% as a result of the increase in passenger activity in FY 2019. Total non-operating revenues amounted to \$18.2M in FY 2019 vs. the \$17.5M recorded the prior year.

Cost Per Enplaned Pax \$18.15

The cost per enplaned passenger (CPE) for signatory airlines is developed to provide a competitive cost structure, while maintaining a superior and reliable level of services. A summary of the CPE for FY 2019 and FY 2018 is as follows:

COST PER ENPLANED PASSENGER				
	2019		2018	
	Actual	% of Total	Actual	% of Total
Airport Revenues				
Signatory Airline rentals and fees	\$ 34,040,355	43.6%	\$ 30,404,908	39.2%
Revenue from sources other than Signatory Airline rentals and fees	34,912,461	44.7%	38,525,895	49.7%
Passenger Facility Charge Revenue	7,362,377	9.4%	7,081,113	9.1%
Operating Grants	415,108	0.5%	424,467	0.5%
Interest Income not related to const	1,326,717	1.7%	1,060,981	1.4%
Airport Revenues	\$ 78,057,017	100%	\$ 77,497,364	100%
		%Change		%Change
Signatory Enplaned Passenger	1,875,879	6.2%	1,767,087	-3.5%
Signatory Airline cost per enplaned passenger	\$ 18.15	5.5%	\$ 17.21	1.9%

\$84.3 Million in Total Expenses



Operational Expenses of \$48.7M

Operational Expenses increased 5.5% year-over-year, equaling \$48.7M for FY 2019 vs. \$46.1M for FY 2018. Although the number of employees at the end of FY 2019 decreased by 6, from 209 to 203, personnel services expense increased mainly as a result of increased pension expense from \$13.9M in FY 2018 to \$18.9M in FY 2019. Contractual services decreased 7.7% for the same period to \$25.5M vs. \$27.7M for the prior year. Material and supplies expenses increased 4.1%, from \$1.19M to \$1.24M year-over-year. Depreciation and amortization expenses remained relatively flat.

Non-Operating Expenses of \$7.6M

Non-operating expenses for FY 2019 continued to decrease as the Authority pays down its debt and liabilities without incurring additional debt. Total non-operating expenses reflect a 34.1% decrease equating to \$7.6M in FY 2019 vs. the previous year of \$11.5 M.

Debt Service Coverage @ 1.66

Under the Bond Indenture for the issuance of the 2013 General Revenue Bonds, the Authority is required to maintain a minimum debt service coverage of 1.25 in relation to net revenues vs. annual debt service. At the end of the fiscal year, the Airport was able to meet its financial obligations with a debt service coverage of 1.66.

Debt Service Coverage (DSC)	2019	2018
Net Revenues and Other Available Moneys	\$ 39,724,544	\$ 35,969,445
Total Annual Debt Service	\$ 23,873,000	\$ 23,873,500
Annual Debt Service Coverage	1.66	1.51

WAY FORWARD

MEETING STANDARDS OF “NEW NORMAL” TRAVEL ENVIRONMENT

As a key essential facility, we are focused on mitigating the affects of the Coronavirus Pandemic and regaining passenger traffic, with enhanced protective and preventive measures employed throughout the facility.




FY 2020 looked to be another record breaking year for the Authority, with airline partners increasing capacity and/or frequency and introducing new service in the last quarter of FY 2019. Many of the service enhancements were in place before Guam’s economy


and the rest of the world’s global markets succumbed to the 2019 Novel Coronavirus (COVID-19) Pandemic. The impact of this deadly virus began to affect Guam’s tourism driven economy in February 2020.


Currently, Guam, along with our key markets of Japan, Korea and Taiwan have in place entry restrictions and are still battling outbreaks of COVID-19, decreasing the demand, and ability to travel.

Notwithstanding the Pandemic Outbreak, the GIAA has undertaken facility and service enhancement measures to mitigate the exposure to viral infection. Transparent barriers have been installed at all passenger processing and service points, automated equipment has been installed to provide for touchless restroom service and 100% thermal screening is in place. GIAA has also enhanced cleaning and sanitation practices with frequent disinfection of all areas, and electrostatic cleaning after each flight arrives and departs, 24 hours a day.

YOUR SAFETY IS OUR PRIORITY.

 **FACE MASK REQUIRED**

 **KEEP A SAFE DISTANCE**

 **WASH HANDS**

A.B. WON PAT INTERNATIONAL AIRPORT GUAM

OUTLOOK FOR FY 2020

GIAA will continue to develop programs and infrastructure that will create opportunities for our island and communities throughout the region. More capital improvement projects have been identified to enhance safety, security and efficiency of travel, and to generate or sustain air service to current or new markets. Other priorities include workforce development to increase capacity and enhance the Authority’s labor force, while laying the foundation for succession planning.

GIAA will continue to exercise prudent financial management in carrying out its fiduciary responsibilities, while maintaining a safe and secure travel environment. We will continue to pay down debt and pursue revenue-generating opportunities to sustain a favorable operating environment and cost structure for our airline partners, tenants, stakeholders and prospective investors at the Guam International Airport.

Future Capital Improvement Projects

- PARKING FACILITIES (ADD CAPACITY TO PUBLIC AND GROUND TRANSPORT LOTS)
- INFORMATION TECHNOLOGY UPGRADE FOR FACILITIES & SERVICES
- PASSENGER TERMINAL IMPROVEMENTS (CAPACITY & EFFICIENCY IMPROVEMENTS)
- REPLACEMENT OF CONVEYANCE SYSTEMS (TERMINAL FACILITY)
- TIYAN PARKWAY PHASE II (IN COORDINATION WITH DPW)
- EXPANSION OF ROUTE 10A (IN COORDINATION WITH DPW)
- LANDSCAPING OF MAJOR THOROUGHFARE (ROUTE 10A)
- STORMWATER RUNOFF AND DRAINAGE IMPROVEMENTS
- GUAM SPACEPORT (IN COORDINATION WITH VIRGIN ORBIT)

CONTACT US!

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