



**PORT AUTHORITY OF GUAM  
ATURIDAT I PUETTON GUAHAN  
Jose D. Leon Guerrero Commercial Port  
GOVERNMENT OF GUAM**

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**FELIX P. CAMACHO**  
Governor of Guam

**MICHAEL W. CRUZ**  
Lieutenant Governor

**MINUTES (CORRECTED) OF THE  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
Thursday, December 18, 2008**

**I. CALL TO ORDER**

There being a quorum, the regular meeting of the Board of Directors was called to order at 2:05 p.m., Thursday, December 18, 2008. Present at the meeting were:

Monte Mesa, Chairman  
Jovyna Lujan, Vice Chairperson  
Marilou Lacson, Board Secretary  
Joseph Camacho, Member  
Glenn A. Leon Guerrero, General Manager  
Joaquin P. Cruz, Deputy General Manager  
Atty. Rebecca Santo Tomas, Co-Counsel

Also present were Tricia Granillo-AM Insurance, Jon Harding (Risk Surveyor)-Axis Company, Lea Santos-Guam Legislature, Alfred Leon Guerrero, Paul Blas-Seabridge, Rick Agustin-Horizon Lines, Duncan McCully-Matson Attorney, Elyze McDonald-Horizon Attorney and Port Management staff.

**II. APPROVAL OF MINUTES**

a. **November 20, 2008:** Mrs. Lacson made a motion to approve the minutes of November 20, 2008 subject to correction. The motion was seconded by the Vice Chairperson and was unanimously passed.

**III. CHAIRMAN'S REPORT**

1. **Master Plan - Legislative Session Hearing** – Thanked staff and management for participating in the Legislative Session Hearing held on December 11-12, 2008 relative to the master plan. The Legislature conditionally approved the master plan subject to subsequent approval of a revised Financial Feasibility Plan, Economic Impact Study; and Implementation Plan that establishes the priorities, identifies viable funding sources and classifies projects according to whether it is for the Port's organic growth or for military build up.

2. **PAGGMA Association** - Thanked the association and those involved for their efforts and participation in organizing the PAGGMA Christmas Party. It was an event that everyone enjoyed.

3. MARAD-MOU – The memorandum of understanding have been executed by all parties. A solicitation for the Program Management Team was issued and the Original Response Date is January 22, 2009 which was amended to extend the closing date to January 27, 2009; effective December 31, 2008 - Amendment No. 0001.

#### IV. GENERAL MANAGER'S REPORT

1. MARAD-PMT – The Pre-Proposal Conference for the Program Management Team is slated for January 8, 2009 to be attended by interested companies. This conference will be held at the Port Authority Board Conference Room.

2. EDA Conference/Funding – Attended the EDA Western Regional Conference on December 9-11, 2008 and essentially DOI are optimistic in getting more funding then they had in the past which will go well for the Port's pursuit in its modernization. On other discussions, the Port has received a request from EDA to complete its final application for \$2 million; deadline being January 5, 2009. This is for the A/E design work for port modernization. Staff is currently working on this project.

3. POLA Cranes – Staff and Management attended the Orientation Visit December 1-2, 2008 at the Port of Los Angeles, California which became very useful. Site-visit entailed: observation of state-of-the-art equipment to perform diagnostics on remote locations; communications and discussions with on-site contractors and officials; hands-on operation on POLA cranes; training ideas and methods; tour of port operations and performance.

4. Master Plan Status – As mentioned earlier, the master plan was conditionally approved by the Guam Legislature which was signed into law on December 15, 2008 as Public Law No. 29-125. Also, coupled with the Master Plan legislation, the proposed legislation for Board approval of up to a twenty year lease of properties was not approved by the Legislature in that the passage of this Act nor the conditional approval of the master plan shall be construed to amend Section 10105(i) of Chapter 10, Title 12, GCA.

5. OAE-RFP – The Deputy General Manager said there were three responsive bidders to this request for proposal. The bid opening was held on December 16. The Evaluation Committee met this morning to evaluate the proposals submitted. Next step is for the offeror to submit its cost proposal.

6. Port Facility Security Plan Amendment – The U.S. Coast Guard has approved the Port's request to remove the checkpoint out of Cabras Highway. Roving security will be increased and police staffing requirements will decrease. The checkpoint will be removed first week of January 2009.

#### V. REPORTS

a. **Insurance Reports:** Ms. Tricia Granillo, AM Insurance provided the November 2008 insurance reports and briefly reported the claim developments for the Marine Package (Property & Liability) Insurance.

- Betty A. Baza (DOI: 5/24/06) – Alleged slip and fall on Port property. Opposing counsel accepted Port's full settlement offer of \$14,000.
- Matson (DOI: 5/9/07) – Seeks reimbursement of \$20,050 for damages to a rocket cradle during loading. Claims Adjuster issued Report No.1 to Underwriters.

At this time, Ms. Granillo introduced Mr. Jon Harding, Risk Surveyor of Axis International. Mr. Harding, through the cooperation of port personnel, was able to complete the inspection of Port facilities during the period of December 15-18, 2008. A report of this survey is enclosed for information. Mr. Harding thanked the staff and management for their support and assistance.

b. **Operations Productivity Report:** Mr. John B. Santos, Operations Manager presented the November 2008 operations report and briefly reported the following:

- Domestic Vessel Recap - Horizon and Matson combined totaled 4,824 container lifts. Horizon had a total of four vessel calls averaging 18.6 gmph versus Matson with four vessel calls averaging 17.8 gmph.
- Container Report – Operations moved a combined total of 8,031 containers lifts for the second month of the fiscal year versus last year same period at a total of 9,635 container lifts.
- Import Local and Military Containers (TEU's) – Both Matson and Horizon imported a combined total of 3,340.2 TEU's for local and 1,008.8 TEU's for the military.

The Chairman asked that the report also show inbound containers to keep track of Matson/Horizon containers for purposes of their proposed increased rates.

### **Committee Reports:**

a. **Finance Committee:** The financial report for the month of November 2008 was provided to the Board for information. Mr. Camacho said the Finance committee addressed the following:

1. Financial Feasibility Plan – The committee recommends moving forward with the implementation plan and a financial consultant request for proposal. The master plan is very broad, conceptual in nature in that a financial feasibility plan cannot be created on a product that is conceptual.

Mr. Camacho made motion for management to prepare and issue a Request for Proposal for a Financial Consultant to relate to the master plan requirement of the Legislature, seconded by the Vice Chairperson. Motion was unanimously approved.

2. F1 Fuel Pier Feasibility Study – The study requires a local matching fund of \$91,000. It is the committee's recommendation to move forward with this project and that the funds be identified.

3. Merit Promotions – Port Police Officers – This promotion relates to a training qualification requirement which was completed by these individuals; therefore, the committee recommend its approval. Mrs. Vivian C. Leon, Corporate Services Manager said the employees were occupying merit promotions and upon meeting the qualifications of the merit career position, such employees are promoted. She noted that the documents effectuating their promotions were not processed on a timely manner during last fiscal year, as a result, retroactive payments is being requested and made to these employees.

Mr. Camacho made motion to approve \$14,727.32 for the merit promotions of the Port Police Officers, seconded by the Vice Chairperson. Motion was unanimously approved.

b. Maintenance/Equipment Committee: Mr. Joe Ragasa, Facility Superintendent said that regular maintenance and repair work is being made to the equipments, particularly with Gantry Crane 2 and RTG. Gantry Crane 2 is boomed down until Monday. This will have no affect on vessel operations.

c. Human Resources Committee: Mrs. Francine T. Rocio, Personnel Services Manager, reported on the following items.

1. Above-Step Recruitment Port Marketing Administrator – The committee has reviewed the request for above-step recruitment for the position of Port Marketing Administrator. Board authorization to recruit above the minimum step for Mrs. Bernadette S. Meno to the position of Port Marketing Administrator at a Pay Grade P, Step 10 is being requested. Mrs. Lacson made motion for management to proceed with the transparency process for the above-step recruitment of the Port Marketing Administrator position, seconded by the Vice Chairperson. Motion was unanimously approved.

2. Public Law 29-61 – Performance Evaluation for General Manager – As this item was presented at the previous meeting, Mrs. Rocio asked whether the Board had any questions or comments. The Chairman is aware that the public law is specific to the performance of the General Manager, but he felt that the policy should as well be extended to the Deputy General Manager position. The context should be similar to the General Manager position. Mrs. Lacson made motion for management to prepare a policy on a performance evaluation for the Deputy General Manager similar to that of the General Manager position. Motion was seconded by the Vice Chairperson and was unanimously approved. Mrs. Leon suggested to incorporate other unclassified positions, such as the Comptroller and Assistant Comptroller as provided for in the Port's enabling legislation. As the members were unaware of this information, it was agreed to address those other unclassified positions at a later time.

*At this time, Mr. Camacho excused himself from the meeting.*

d. Property Leasing/Port Development Committee: Mr. Glenn B. Nelson, Commercial Manager presented the Board with an update on property-related items:

1. Proposed Increases-Lease Rates for Office, Warehouse & Open Space – Public Hearing held on December 9, 2008 went well. Hearing minutes attached; however final staff report and recommendations to be prepared after ten day period of record of which is December 19, 2008.
2. Hanson Micronesia Cement – Port letter to Hanson dated December 4, 2008 consents access to Pier F-1 for purpose of completing additional re-engineering and survey work.
3. Liquid Fuel/Breakbulk Thru-put Assessment – Nick Captain completed his report on November 15, 2008. Additional work on this matter is still required. Further report to be made at the next meeting.
4. Smithbridge – Request in place to lease portion of Seaplane Ramp for an extended period. Smithbridge was asked to provide more information. A meeting have been scheduled for Monday, December 22, 2008 to further address this issue.
  - e. **Procurement Advisory Committee:** The Vice Chairperson said the committee met on December 15<sup>th</sup> and discussed matters on the draft RFI, the process and the quality of information exchange. She said further committee meetings will take place to fine tune the RFI before the Request for Proposal is issued. The Vice Chairperson said basically what is needed for the Port is to be able to access the right professional technical kinds of expertise. The Port's existing procurement staff is currently on a training program, and is not readily available at this time. She mentioned that having participated in both an RFI and RFP relating to extensive projects of the Port, these kinds of activities takes legal expertise; good working knowledge of the government procurement laws; how to transact the business with the goal of acquiring a PMC contractor, especially on areas requiring legislative remedy. The Vice Chairperson expressed that there is a need for a professional technical assistance that exist in procurement, and raises this issue for Board and management to consider. After discussion, the General Manager was advised to provide a consultant profile to assist in the procurement procedures relative to the PMC process.

## VI. OLD BUSINESS

- a. **Public Law 29-61 Policy on Performance Evaluation for General Manager:**  
(Item addressed under HR committee.)
- b. **RFP – Agat Small Boat Marina Restaurant & Dock Shop Concession:** The request for proposal was presented to the Board for questions or comments. The Vice Chairperson recalled recent discussions with the Legislature on long term lease agreements, and also understands that the Board is only authorized to lease up to 5 years, but mentioned that in the event there is interest expressed for longer than 5 years to recoup their investments, asked that management document that information to be shared with the Legislature. Secondly, the Vice Chairperson asked whether the Port should impose upon the Restaurant the hours of operation as the Agat Marina operational hours are from 6am to 6pm daily. In addition, what are ways to entice the boaters/tenants to patronize the restaurant. Mrs. Leon said the operational

hours of the restaurant will be addressed during the contract negotiation phase of the RFP process. And, in the scope of services, it provides that the offeror shall produce a proposed business plan for the concession which should include, among others, an operational plan consisting of the methods of increasing and maintaining its clientele.

The Chairman said that as pointed out by the Vice Chairperson, the request for proposal should include that although the term to lease is 5 years, a longer lease term is available through the legislative process. This will put the offerors on notice that beyond the five years, there is that condition.

The Vice Chairperson made motion for management to proceed with the issuance of the Request for Proposal for the Agat Small Boat Marina Restaurant & Dock Shop Concession which is to include language as an option on the lease term beyond the five years is available subject to legislative approval. Motion was seconded by Mrs. Lacson and was unanimously approved.

c. **PPP-PMC Request for Information:** (Item addressed under Procurement Advisory committee.)

## VII. NEW BUSINESS

a. **Board Resolution No. 08-05 Amendment to Bylaws re Monthly Meetings:** As the amendment to the bylaws regarding monthly meetings have been ratified at a prior meeting, there were no objections to the resolution as presented for signature.

b. **Board Policy Memorandum No. 2009-02 Designation of Emergency First Responders/On-Call Emergency Management Personnel:** The Vice Chairperson said that upon review of the policy, particularly with those management positions who are to serve on the Executive Emergency Management Team, that aside from that list, she felt there should be one recognized leader that is in command to make judgment calls. Management explained that the overall lead responsibility for any Port related emergency disaster issues falls upon the General Manager.

The Chairman said that the policy further indicates that the Board shall identify what positions will be authorized to possess Port-owned wireless communications services and operate Port-owned vehicles on a 24 hour basis. He suggested that for now those positions be the General Manager and Deputy General Manager.

Mrs. Lacson made motion to adopt Board Policy Memorandum 2009-02 Designation of Emergency First Responder/On-Call Emergency Management Personnel and the two positions identified and authorized to possess Port-owned wireless communication services and operate Port-owned vehicles on a twenty-four (24) hour basis are the General Manager and Deputy General Manager, seconded by the Vice Chairperson. Motion was unanimously approved.

## VIII. PUBLIC COMMENT

- a. **Port Users Group Comment:** None.
- b. **General Public Comment:** None.
- c. **Employee Comment:** None.

**RECESSED:** The members agreed to recess prior to moving into executive session. Meeting recessed at 3:20 p.m.

**RECONVENED:** The meeting reconvened at 3:25 p.m.

## IX. EXECUTIVE SESSION

Executive Session ended at 4:55 p.m. Board members resumed back into regular session.

Item addressed in executive session.

1. **Joint Defense Agreement: Settlement Agreement and Mutual Release**  
- **Far East Equipment Company, Port Authority of Guam, Kenneth Tagawa, Claudia Acfalle-GSA, Matson Navigation, Horizon Lines**

**RECESSED:** The Vice Chairperson made motion to recess the meeting to Monday, December 22, 2008 at 3:00 p.m., Port Authority Board Conference Room, Piti for purposes of discussing matters further in executive session. Motion was seconded by Mrs. Lacson and was unanimously passed. The meeting recessed at 5:00 p.m.

**RECONVENED:** There being a quorum, the Chairman called the meeting to order at 3:05 p.m., Monday, December 22, 2008. Present at the meeting were:

Monte Mesa, Chairman  
Jovyna Lujan, Vice Chairperson  
Marilou Lacson, Board Secretary  
Joseph Camacho, Member  
Glenn A. Leon Guerrero, General Manager  
Joaquin P. Cruz, Deputy General Manager  
Atty. Ike Aguigui, Legal Counsel  
Atty. Rebecca Santo Tomas, Co-Counsel

## IX. EXECUTIVE SESSION

The Chairman reminded the members that this meeting is to further discuss matters in executive session. Without objections, the members went into executive session.

Executive Session ended at 4:10 p.m. Board members resumed back into regular session.

Item addressed in executive session.

1. Joint Defense Agreement: Mutual Release  
- Far East Equipment Company, Port Authority of Guam, Kenneth Tagawa

Mr. Camacho made motion to amend the agreement to add the No. 4 language – “Any future purchase, procurement, or acquisition by PAG or its assigns of the Cranes” as discussed, seconded by the Vice Chairperson. Motion was unanimously approved.

The Chairman asked management and Legal Counsel to ensure that the Insurance company is forwarded the amended version for their concurrence as to coverage.

**RECESSED:** Mr. Camacho made motion to recess the meeting to Wednesday, December 24, 2008 at 10:00 a.m., Port Authority Board Conference Room, Piti for purposes of discussing matters further in executive session. Motion was seconded by Mrs. Lacson and was unanimously passed. The meeting recessed at 4:15 p.m.

**RECONVENED:** There being a quorum, the Chairman called the meeting to order at 10:15 a.m., Wednesday, December 24, 2008. Present at the meeting were:

Monte Mesa, Chairman  
Jovyna Lujan, Vice Chairperson  
Marilou Lacson, Board Secretary  
Glenn A. Leon Guerrero, General Manager  
Joaquin P. Cruz, Deputy General Manager  
Atty. Ike Aguigui, Legal Counsel  
Atty. Rebecca Santo Tomas, Co-Counsel

Absent was Mr. Joseph Camacho, Board member.

## IX. EXECUTIVE SESSION

Mrs. Lacson made motion to go into executive session, seconded by the Vice Chairperson. Motion was unanimously passed.

Executive Session ended at 10:20 a.m. Board members resumed back into regular session.



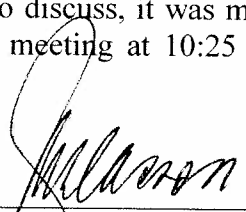
Item addressed in executive session.

1. Joint Defense Agreement: Settlement Agreement and Mutual Release  
- Far East Equipment Company, Port Authority of Guam, Kenneth Tagawa, Claudia Acfalle-GSA, Matson Navigation, Horizon Lines

The Vice Chairperson made motion to resolve that the Board approve the Mutual Release to be executed by the Port Authority, Far East and Mr. Kenneth Tagawa; and not including the verbiage or language that was suggested by the Board on Monday, December 22 executive session, particularly on No. 4 - Any future purchase, procurement, or acquisition by PAG or its assigns of the Cranes, seconded by Mrs. Lacson. Motion was unanimously approved.

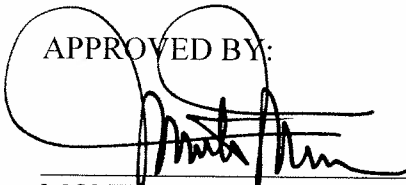
## X. ADJOURNMENT

There being no further business to discuss, it was moved by Mrs. Lacson and seconded by the Vice Chairperson to adjourn the meeting at 10:25 a.m. The motion was unanimously passed.



MARILOU LACSON, Board Secretary, Board of Directors

APPROVED BY:



MONTE MESA, Chairman, Board of Directors

