

BOARD OF DIRECTORS

*Dorothy P. Harris, Vice Chairperson
Dr. Judith P. Guthertz, Board Secretary
Conchita S.N. Taitano, Member*



Resolution No. 2023-15

RELATIVE TO AUTHORIZING THE GENERAL MANAGER TO PROCEED WITH REALIGNMENT OF THE PORT AUTHORITY OF GUAM'S ORGANIZATIONAL STRUCTURE AND TO AMEND CLASSIFIED JOB SPECIFICATIONS AND TO RETIRE VACANT, OBSOLETE POSITIONS TO STREAMLINE ROLES AND RESPONSIBILITIES AND OPTIMIZE ORGANIZATIONAL EFFECTIVENESS

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

WHEREAS, 12 GCA Section 10104(e) compels the Board of Directors to establish the Authority's internal organization and management and to adopt regulations for the administration of its operations and the conduct of its affairs; and

WHEREAS, 12 GCA Section 10111(a) also dictates that the Board of Directors establish and amend rules and regulations governing the selection, promotion, performance evaluation, demotion, suspension and other disciplinary action for employees of the Authority; and

WHEREAS, 12 GCA Section 10107 delineates the duties and responsibilities of the General Manager, of which Subsection (f) prescribes that he selects and appoint the employees of the Authority and plan, organize, coordinate and control the services of such employees;

WHEREAS, Public Law 30-43 was passed effective July 2, 2009, approving the Authority's Personnel Rules and Regulations and Compensation and Classification Plan for Maritime Related Positions Unique to Port Operations and Certified, Technical and Professional Positions for the Authority; and

WHEREAS, Chapter 2 of the Personnel Rules and Regulations outlines the responsibilities of the General Manager to include that he maintains the position classification and compensation plan; and

WHEREAS, the effectiveness of the Authority's organization depends on how well roles are designed, how clearly and appropriately the interrelationships of various positions are developed and how well practices for planning, decision-making and communication are established; and

WHEREAS, the current organizational structure, established in 2006, has its limitations, and therefore an organizational realignment would better enhance and promote teamwork between the divisions, increase resource visibility, and manifest an improved sense of self-governance by its employees; and

WHEREAS, in the latter part of 2021, the Port saw the departures of two senior managers as a result of retirement and no succession plan was in place which caused a void in the leadership for the Maintenance Department; and

WHEREAS, to ensure the administration of the day-to-day activities and programs for the Maintenance Department are not disrupted, we appointed the Operations Manager to assume the duties and responsibilities of the Maintenance Manager without compensation; and

WHEREAS, during the past two years we have seen the division heads, superintendents and leaders when asked accept positions in an acting capacity, in most cases willingly absorb additional duties and responsibilities without compensation, and proven to go above and beyond to ensure the Port's mission is fulfilled and the supply chain to the island is not disrupted; and

WHEREAS, in April 2021, Moody's Investors Service issued a report that removed the Port Authority from credit watch based on strong finances despite the COVID-19 pandemic and demonstrated good cost control for fiscal years 2020 and 2021; and

WHEREAS, in October 2022, S&P Global affirmed the "A" long-term rating on the Port's series 2018 Port Revenue Bonds and through its credit opinion stated "*Our overall assessment for the Authority's enterprise profile is strong, reflecting very strong economic fundamentals, an adequate market position and strong governance.*"; and

WHEREAS, in August 2023, the Guam Public Auditor announced that the Port achieved low-risk auditee status for the fourth consecutive year (2019 to 2022) in a row and said "*These clean, low risk status audits for the past four years demonstrate strong leadership and management from the General Manager and his team of dedicated, qualified and Port-strong employees.*"; and

WHEREAS, the affirmation by S&P Global of the Port's 2018 Revenue Bond, along with the Port's low-risk designation from Moody's Investors Service, would bring the Port the creditability needed to seek funding to replace the Port's aging gantry cranes, rehabilitation of the wharves to ensure resiliency and replacing our aging facilities, and would show a commitment that the Port does not become a choke point for discharging and deploying military assets and commodities, in addition to management's charge to keeping the Port 100% operational at all times; and

WHEREAS, to ensure that the Port maintains this commitment, it is recommended that the current organizational structure be realigned to merge Operations and Equipment Maintenance divisions into one division; establish Facility Maintenance as a separate division; merge Capital Improvement Projects and Engineering divisions into one division; and separate Occupational Safety and Environmental Compliance into two singular divisions; and



WHEREAS, such realignment will not displace any employees nor have any adverse effect upon any classified employees within the divisions; and

WHEREAS, in accordance with an organizational realignment, job specifications for several classified positions would need to be amended to streamline the roles and responsibilities, optimize organizational effectiveness, and reflect the duties and responsibilities expected of the positions; and

WHEREAS, such amendments of job specifications for classified positions would need to comply with the transparency and disclosure process as outlined in 4 GCA Sections 6303 and 6303.1(a) and Rule 4.200 of the Authority's Personnel Rules and Regulations; and

WHEREAS, as a result of recent creation of positions and once the transparency and disclosure process has been completed for the amendments of job specifications for classified positions, there will be a need to retire several established classified job specifications, such as, Financial Affairs Controller, Engineering Manager, Maintenance Manager, Equipment Operator Leader and other classified positions whose duties and responsibilities would be consolidated into the amended job specifications that would optimize organizational effectiveness; and

WHEREAS, the cost savings associated with the retirement of those identified positions stated above would be \$742,939 including benefits; and

WHEREAS, the Board of Directors supports the General Manager's capability to lead the Authority through strategic transitions to create the capacity needed for sustained strong performance, so that the end results forge the organization's long-term success; and

WHEREAS, in the event the Authority's Board of Directors lacks a quorum due to an insufficient constitution of its members because appointed potential members are pending legislative confirmation, now therefore be it

RESOLVED, that the General Manager is hereby authorized, without further Board approval, to proceed with realigning the Authority's organizational structure by merging Operations and Equipment Maintenance divisions into one division; establishing Facility Maintenance as a separate division; merging Capital Improvement Projects and Engineering divisions into one division; and separating Occupational Safety and Environmental Compliance into two singular divisions; and be it further

RESOLVED, that, accordingly, the General Manager undertake the required transparency and disclosure process for the amendment of job specifications for classified positions pursuant to applicable statutory law and the Personnel Rules and Regulations; and be it further

RESOLVED, that, accordingly, the General Manager proceed without any further Board action to implement the aforementioned organizational changes after the public posting pursuant to 4 GCA § 6303(e)(2) is completed; and be it further

RESOLVED, that, accordingly, the General Manager proceed without any further Board action to detail the current occupants of the managerial positions, whose duties and responsibilities are modified by the above-described realignment, to those amended positions pending the permanent filling of their respective amended positions, pursuant to 4 GCA §6303(e)(3); 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 28th DAY OF SEPTEMBER, 2023.

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

DR. JUDITH P. GUTHERTZ
SECRETARY, BOARD OF DIRECTORS
PORT AUTHORITY OF GUAM

