

# PORT AUTHORITY

Minutes of the 361<sup>st</sup> Meeting of the Board of Directors of the Port Authority held at Port Authority 45 Harbour Drive at 1500 hours on Wednesday, 30 April 2014.

Present:

- Mr. Errol L. Bush MBE, (Chairman)
- Mr. Gerry Kirkconnell, (Deputy Chairman)
- Mr. Paul W. Hurlston, (Secretary)
- Mr. Robert Foster
- Mr. Michael Nixon
- Mr. Arek Joseph
- Ms. Jacqueline Scott
- Mr. Woodward DaCosta
- Mr. Stran Bodden JP
- Ms. Samantha Bennett

- Attendees: Mr. Clement Reid – Deputy Port Director – Operations  
Hon. Moses Kirkconnell – Deputy Premier  
Mr. James Parsons – Deputy Port Director – Finance  
Mr. Jim Scott – Acting Project Manager for Cruise Project

Apologies:

		NOTICE AND QUORUM	
		The Chairman via Skype video link noted that due notice of the Meeting had been given to all Members and that a quorum existed. Accordingly, the Meeting could proceed.	



<b>1</b>		<b>Welcome and Call to Order</b>	
		The Chairman welcomed members, the Hon Deputy Premier and others	
<b>2</b>		<b>Apologies and absences</b>	
<b>3</b>		<b>Confirmation of Previous Minutes</b>	
		<ul style="list-style-type: none"> <li>• N/A</li> </ul>	
<b>4</b>		<b>Matters Arising</b>	
		<ul style="list-style-type: none"> <li>• N/A</li> </ul>	
<b>5</b>		<b>Approval for the Port Authority to contribute approximately C\$1.8 million towards the EIA/Engineering Consultancy for the Cruise Berthing Project</b>	
		<ul style="list-style-type: none"> <li>• The Deputy Premier addressed the Board of Directors and said:-             <ol style="list-style-type: none"> <li>a) The priority of this Government as it relates to the Port Authority activities is the construction of cruise piers and along with that the revitalization of George Town.</li> <li>b) The proposed piers are for the Government</li> </ol> </li> </ul>	



and the Port Authority and this is why members of port's management are involved on the Steering Committee overseeing the project.

- c) The process of developing the piers has been dictated by the UK and must be followed.
- d) Government has borne all cost to date relating to paying consultants and has budgeted CI\$1 million for the fiscal year 2014/2015. However, there is current an immediate short fall of some CI\$1.8 million that is needed to cover the consultancy contract that is about to be signed. A commitment of having these funds available is needed before the consultancy contract can be executed and all of this has to be done immediately.
- e) All possible other government revenue avenues have been exhausted and therefore it will now be up to the Port Authority to cover this cost. The UK has the final say on Government's overall budget and has put certain financial parameters in place that has to be adhered to.
- f) If the Board of Directors does not agree to provide this money then the project will be stopped and he did not want to see this happen. Members were urged to approve the funds.
- g) The EIA study will identify mitigating environmental factors but would most likely not stop the project as a result of its findings.
- h) The signing of EIA/Engineering contract will signal the official start of the building of cruise berths.
- i) On a suggestion from the Board on increasing port fees to cover these and other costs; he dismissed this idea.



- Members debated the issue of whether the Port Authority can indeed afford to fund CI\$1.8 m over the 2014/2105 fiscal year.
- The Deputy Port Director – Finance explained the Port Authority’s current financial position and our projections for the next year. He noted that we have been able to make significant strides in paying off the insurance monies owed to the Government. We had paid some CI\$2 m in the last 9 months. The current premium is soon due and the balance owing government will then increase for CI\$1.6 m now to approximately CI\$2.6 m. He noted that our financial ratios which the Auditor General have alluded to in his report on solvency of the port are now back at acceptable accounting levels. This was confirmed by Mr. Michael Nixon. However, these ratios will be negatively affected by this funding proposal and financial solvency will again be an issue.
- The Board of Directors was concerned about the ability of the Port Authority to financially operate with paying down on insurance debt and at the same time being requested to contribute an additional CI\$1.8 million.
- The discussions continued and focused on two main areas as a solution for the Board of Directors to be able to approve this funding request:-
  1. Request that the Minister of Finance allow the Port Authority to defer future payments on the port insurance to the Government and to use these funds then to cover the cost of the consultancy.
    - (a) It was Agreed that the Deputy Premier and Mr. Michael Nixon would speak this evening with the Minister of Finance and report back the results to the Chairman by tomorrow 1 May



2014.

2. As a second step, exchange the value of the land at the CDC that is currently being used by Custom for their container scanning operations, for the insurance debt owed to Government by the Port Authority. It is believe that the land in question is valued in the region of CI\$3 million. Ms. Samantha Bennett revealed that planning permission for a Custom building on this land has been submitted and the funding is in place yet it is still owned by the Port Authority. It was Agreed that this exchange of asset for debt should be perused with vigour.

a) Mr. Michael Nixon is to move this matter forward with the Minister of Finance and other relevant agencies. It was revealed that this process of exchange of asset for debt is possible but has to be accounted for correctly in the financials and will take a fair amount of time to finalize.

- Mr. Jim Scott explained the latest consultancy payment schedule which will be shared with the Board of Directors. He said that the first payment by the Port Authority will be expected in October 2014 in the amount of CI\$550,000.00. However, this payment schedule is dynamic and could change.
- The Board of Directors unanimously by a show of hands voted on a motion moved by the Chairman to contribute approximately CI\$1.8 to the Government over the 2014 /2015 fiscal year. This approval is contingent on the Government formally deferring the Port Authority's payments on all monies owed to Government for insurance now and in the future and until such time as the Port



		Authority can afford to resume payments. Secondly, the Government will actively and with urgency pursue the exchange of the land at CDC for Port Authority's insurance debt.	
6.		<b>Other Business</b>	
		<ul style="list-style-type: none"> <li>The issue of the closure of Harbour Drive for Government sponsored national festivals and how may disrupt the Port Authority's cargo operations was discussed as a result of an e-mail from Mr. Woody Foster to the Deputy Premier. It was agreed that moving forward perhaps better communications between the various agencies could minimize disruptions to the port's cargo operations.</li> </ul>	
		<b>Adjournment</b>	
		There being no further business the meeting was adjourned at 1645 hours.	



Errol L. Bush - Chairman



Paul W. Hurlston (Secretary)