

## PORT AUTHORITY


Minutes of the 364<sup>th</sup> Meeting of the Board of Directors of the Port Authority held at Port Authority 45 Harbour Drive at 1030 hours on Wednesday, 23 July 2014.

Present: Mr. Errol Bush MBE, (Chairman)  
Mr. Gerry Kirkconnell, (Deputy Chairman)  
Mr. Paul W. Hurlston, (Secretary)  
Mr. Ashton Bodden JP  
Mr. Stran Bodden JP  
Mr. Arek Joseph  
Mr. Michael Nixon  
Mr. Randy Whittaker (Customs)

Attendees: Mr. Clement Reid – Deputy Port Director – Operations

Apologies: Mr. Arek Joseph  
Ms. Samantha Bennett

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

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1		<b>Welcome and Call to Order</b>	
		The Chairman welcomed members.	
2		<b>Apologies and absences</b>	
		See Above.	
3		<b>Confirmation of Previous Minutes</b>	
		<ul style="list-style-type: none"> <li>• The 363rd Minutes were Approved on a motion moved by Mr. Ashton Bodden and seconded by Mr. Gerry Kirkconnell.</li> </ul>	
4		<b>Matters Arising</b>	
		<ul style="list-style-type: none"> <li>• Mr. Clement Reid said that APEC will have water and electricity design drawings for the Port Authority Marina (PAM) in about the next two weeks. These drawings will be circulated to Members upon receipt. The cost for the design drawings is about CI\$10,000.00.</li> <li>• According to correspondence from Capt. Bryan Ebanks, The Water Sports Operators (WSOs) has appointed him as their spokesman. The WSOs letter dated 30<sup>th</sup> June 2014 and the response from Maple and Calder to this letter form part of these Minutes. The Board of Directors Agreed the following actions based on the advice from Maples and Calder:- <ul style="list-style-type: none"> <li>○ The Licence Agreement will be for 5 years with option to renew for a further 5 years.</li> </ul> </li> </ul>	



		<ul style="list-style-type: none"> <li>○ The issue of the easement over the Ritz Carlton waterway is to be handled by Maples, Ritz Carlton and Dragon Bay attorney's.</li> <li>○ Maples to instruct the WSOs that they must immediately pay the Port Authority CI\$350 per month per each boat that is berth at the marina.</li> <li>○ The 31 August 2014 deadline set by the Board to have all Licence Agreement in place is now suspended until the other legal issues are resolved.</li> <li>○ Consult with APEC engineers on dock fenders.</li> <li>○ Consult with APEC engineers on emergency ladders.</li> <li>○ The Rip/Rap will remain as is.</li> <li>○ The formal agreements with the WSOs will be in the form of a Licence not a Lease.</li> <li>○ Maples will be asked to work with the Plaintiffs attorney's to squash their current litigation proceedings.</li> <li>● It has been agreed with Minister Kirkconnell that a management team is required to operate the marina. Mr. Reid will draft requirements and advertise for an outside contracted management firm to operate the marina under the oversight of the Port Authority.</li> <li>● The Land &amp; Survey Department (L&amp;S) recently visited the CDC and is in the processes of putting a value on the land being used by Customs. It was Agreed that a Land Lease arrangement between the Port Authority and Customs is perhaps the best way forward. L&amp;S will also advise on the current market rates for leased land in the Industrial Park area. Mr. Stran Bodden is to coordinate the Land Lease arrangements with the Minister of Finance.</li> <li>● The Bodden family land adjacent to CDC asking</li> </ul>	
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	<p>price is almost 100% more than it has been valued by the L&amp;S and the Bodden's are not willing to reduce their asking price. It was Agreed to ask L&amp;S to cease negotiations with the Bodden's on procuring this property. Mr. Stran Bodden also confirmed that the proposed purchase of the land on financing terms would constitute a loan situation under the FFR and therefore is not possible.</p> <ul style="list-style-type: none"><li>• Mr. Stran Bodden suggested that an improved layout of the CDC container could be a viable option to enhancing the efficiency and utilization of the current area. Mr. Reid has more details on moving the warehouse from its current location in the centre of the container yard to a new location and this significantly increases the yard capacity to hold containers. It was Agreed to look at this layout.</li><li>• The Board of Directors recognizes that the Cruise Berthing Project is extremely complex and must be in compliance with the FFR and each step in the process requires the UK's express approval. It was Agreed that the Acting Project Manager, Mr. Jim Scott, be asked to update the Board quarterly on the progress of the project.</li><li>• It was again confirmed that no further retail businesses would be approved for the RWCT.</li><li>• The résumé from Shaun Ebanks seeking the position to operate the PAM will be kept on file.</li><li>• The proposal from the Department of Tourism (DOT) for the Port Authority to pay the musicians that play at the cruise will be investigated.</li><li>• <b>Ship Supply of Florida</b> - The Board agreed that as a matter of prudent business practice and sound political diplomacy, it is wise to assist an ally Government as best as and where possible.</li></ul>	
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The Board has noted that no US Government vessel has called on Grand Cayman's Port in excess of two years. This lack of US Government vessels calls has equated to a significant loss of revenue not only to the Port Authority's bottom line, but it is reasonable to believe it has had a negative impact over various sectors of Grand Cayman's economy as well and possibly created tension where there ought to be none.

Therefore, it is an objective of the Board to foster an understanding that Grand Cayman should be the destination of choice for bunkering and replenishment of other supplies especially for ALL US Government vessels.

The Board in its efforts to bring US Government vessels back to Grand Cayman, has learnt that Ship Supply of Florida (Ship Supply) has an exclusive contract with the US Government's Coast Guard and Military vessels as a "Logistics Coordinator" for the Caribbean Region for at least two more years. The Board is willing to assist Ship Supply i.e. the US Government for the remainder of their contract.

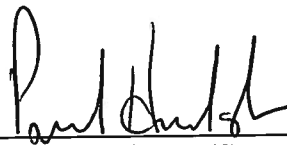
It is understood by the Board that fuel rates at the George Town Port are extremely high, in fact, the highest in the region thus the reason for non-calls to Grand Cayman. In an effort to bring back US Government vessels, Ship Supply will now purchase fuel directly from SOL. The Board will allow the Port Facilities to be used to facilitate this bunkering exercise. As compensation for the use of the facilities, the Port Authority will receive from Ship Supply US\$0.20 per gallon purchased by Ship Supply.



		<p>The Board is to direct the Port Director to have its Attorney to draw up an agreement to reflect the above, which must protect the Port Authority as best as possible and have the Cayman Islands be the lex fori.</p> <ul style="list-style-type: none"> <li>• OAD is to proceed with the drawings for a limited scope upgrade for the Spotts Landing facilities.</li> <li>• Mr. Clement Reid is to meet with Mr. Gerry Kirkconnell over the dock parking layout for ground transportation as per the APEC drawings.</li> </ul>	
5.		<b>Other Business</b>	
		<ul style="list-style-type: none"> <li>• The request to waive port fees (approximately \$700) to the Brac of a shipment by CONCACAF was not approved.</li> </ul>	
		<b>Adjournment</b>	
		There being no further business the meeting was adjourned at 1215 hours.	



Errol Bush (Chairman)



Paul W. Hurlston (Secretary)