



PO Box 1358, Harbour Drive, Grand Cayman, KY1-1108, Cayman Islands
(345) 949 2055, Fax (345) 949 5820

Minutes of the 382nd Meeting of the Board of Directors of the Port Authority of the Cayman Islands held at the Port Authority office on 45 Harbour Drive, George Town, Grand Cayman at 1300 hours on Thursday July 23rd, 2015.

- **Member Present:**

- Mr. Errol Bush, MBE – Chairman
- Mr. Gerald Kirkconnell – Deputy Chairman
- Mr. James C. Parsons, Jr – Secretary
- Mr. Ashton Bodden, JP
- Mr. Stran Bodden, JP – (Ministry of DATT)
- Mr. Woodward DaCosta
- Ms. Jacqueline Scott
- Mr. Robert Foster
- Mr. Randy Whittaker – (Customs)

- **Apologies:**

- Mr. Arek Joseph, OBE
- Mr. Michael Nixon – (Ministry of Finance)

- **Attending Meeting:**

- Clement Reid – Deputy Port Director-: Operations
- Honourable Deputy Premier – Mr. Moses Kirkconnell-: Ministry of DATT
- Counsellor– Mr. Joey Hew – Ministry of DATT
- Mr. Taron Jackman – Deloitte
- Mr. Angus Charlton – Ritch & Conolly
- Matthew Dors – Ritch & Conolly

- **Notice and Quorum:**

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

1. **Welcome and call to order:**

The Chairman welcomed Members.

2. **Confirmation of minutes:**

- a. Minutes for meeting # 380 was approved by the Board and a motion to accept the minutes were moved by Ms. Jacqueline Scott and seconded by Mr. Ashton Bodden, JP.



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- b. Minutes for the Extra-Ordinary meeting, # 381 was approved by the Board and a motion to accept the minutes were moved by Ms. Jacqueline Scott and seconded Robert Foster.
- 3. Matters arising from Previous Minutes:**
Update: The application deadline has expired for applicants to respond to the advertisement for the post of CBF Senior Project Manager. The advertisement attracted over 30 applicants, both local and international, with a wide ranging of skillsets. PACI's HR Manager shortlisted a number of candidates that possess the required skill set for the post. The unsuccessful candidates were notified of the decision and those who were shortlisted were informed of the pending job interview. The successful post holder will be employed by PACI but seconded to the Major Projects Office at PWD where they will report to the PWD Director, Mr. Max Jones. The formation of the committee members to interview the successful candidates are Mr. clement Reid, Mrs. Sandra Barnett, from the PACI and Mr. Max Jones, Denise Stabler from PWD.
- 4. Declaration of Conflict of Interest:**
None Noted.
- 5. Presentation and Discussions by various Representatives :**
- a. Deloitte**
The Chairman welcomed Mr. Taron Jackman of Deloitte who is contracted to carry out a Comprehensive Review of the PACI. Mr. Jackman briefly updated the board, the Honourable Deputy Premier and his Consular on the progress of the review and said there was much work to complete before the final report could be delivered.
- b. Ministry of District Administration, Tourism & Transport**
The Chairman welcomed the Honourable Deputy Premier, Mr. Moses Kirkconnell minister with the responsibility for the PACI and his Counsellor Mr. Joey Hew to the meeting. Minister Kirkconnell thanked the members for their service and briefly spoke on the progress with the cruise berthing project.
- c. Ritch & Conolly**
The Chairman welcomed the Ritch & Conolly representatives, Mr. Angus Charlton and Mr. Matthew Dors, who are assisting the PACI with the renewal of tenant leases. Both Angus and Matthew briefed the Board on the progress of the renewals and how to move forward with the remaining leases.

Two handwritten signatures in black ink, one appearing to be 'AS' and the other 'JA'.



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6. Update on Cruise Berthing Project:

The Heads of Terms remains a work in progress. PWC and Pinsent Mason/Appleby continue to advance the document. A meeting is scheduled for next week with the CBF Steering Committee to get an update on the overall progress of the project to date.

7. Update on Spotts Landing:

- a. The first phase of the upgrades to the Spotts project is now complete. The second phase will commence shortly which will include upgrades/replacement of the chain-link fence, repainting of the terminal building and the installation of park benches.
- b. We have received quotations for the installation of CCTV which is roughly \$18,000 (rounded up) along with \$200-\$300 / month for an Internet line (business ADSL or fibre is required due to the need to have a fixed IP address). The board requested a second quotation for the cameras.

8. Various other Updates:

- a. **Tower Building Site Agreement with Lands & Survey:** – Lease agreement was prepared and sent for review by Jon Hall at Lands & Survey. The PACI is awaiting Jon's reply to proceed with a final Lease that will be signed. Upon signing of the lease PACI will begin preparation of the sight to have ready for the 2015 winter season.
- b. **Cargo Distribution Center pavement to container yard:** - APEC Consulting Engineers will review the exiting site at CDC and prepare design drawings for paving the container yard located west of the existing warehouse which will include storm water drainage, CCTV and yard lighting. In addition they will also create an efficient vehicular traffic flow for the yard which will reduce human exposure in this high traffic area.
- c. **Harbour Drive Cargo Dock Rehabilitation:** - APEC Consulting Engineers have been contracted to review the condition of the existing finger pier concrete deck and the cathode protection on the sea wall and make recommendations on repairs. APEC will also prepare tender documents for any repairs that are deemed necessary to the marine infrastructure and manage the selected contractor(s).
- d. **RFP – IT Audit:** - Closing deadline for applications was Friday July 17th. Seven applications were received. A sub-committee made of three PACI employees and a member of the PACI board will review the applications and choose the suitable Firm to conduct the IT audit.



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- e. **RFP - Patrol Boat Engines refurbishment:** - advertisement was made and only one company replied by the deadline. Management made the decision to engage Harbour House Marina to outfit the Harbour Patrol Boats with engines, air conditions and generators as the patrol boats are crucial to the cruise operation. Currently the PACI only have one vessel in operation with engines having in excess of 3k hours.
 - f. **Rental Enquiry:** - As a result of the advertisement campaign, one rental enquiry for a unit upstairs the RWCT was netted. The Acting Port Director sent an email detailing the relevant documents needed to the enquirer. Documents requested were; a detailed business plan, bank references, copy of a current TBL, and cover letter.
 - g. **Rental to West Indian Marine:** - the board approved a lease, which is being prepared by the PACI's attorneys, for WIM to rent the dead space located behind the RWCT to the NW corner near the current tour operator bus staging area. The space being rented is to store 4 Fenders that will be used in ship to ship (STS) transfers. The board request that the area be properly prepared and limited to the storage only. There is to be no maintenance workshop, storage, machinery, buildings either movable or immovable on leased premises. The fenders must be bolted to the ground and a fence erected that will hide and contain the fenders. A Condition of the license must include indemnification for the PACI in all aspects of the tenant's operations.
 - h. **West Bay Property Signs:** - 4 signs were installed on the property in West Bay. 2 facing the road on the north and south sides and 2 facing the inside.
 - i. **Press release:** - a press release was published in the daily newspapers on July 13 and 20, 2015 advising the public that the PACI is not associated with the publication or television interviews for or against the cruise port development.
9. **Update on Publication of an Annual Report:**
Tower Marketing is engaged to produce an annual report for PACI at a cost of CI\$10,500. The first draft is due at the ending of August beginning of September 2015 and final version in approximately 3 to 4 weeks thereafter.
10. **Update on the RWCT Leases:**

The Board members were updated on the progress of the renewal of the RWCT leases by Mr. Angus Charlton and Mr. Matthew Dors, who are assisting the PACI. Both Angus and Matthew briefed the Board on the progress of the renewals and how to move forward with the remaining leases.



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It was Resolved that because of the ongoing plans to construct cruise piers, which will have a negative impact on business operations at the RWCT when the construction of the piers begin, all leases that are currently for one year will be renewed for a further year at the same arrangements. The renewals of the expiring leases will be renewed in the same manner. No new arrangements will be entertained.

Island Restaurants Ltd T/A the Green Parrot will be renewed in accordance with the various clauses in the lease which will be of a mutual benefit for both the tenant and the PACI. Consideration will be negotiated for a break clause in order to accommodate the potential interruption in operation due to the construction of the cruise piers.

11. DRAFT Financial Report for the year ending June 30, 2015 for the PACI:

- a. The DRAFT Financial statements along with the report on the Port finances were presented to the Board of Directors by the Acting Port Director and a short discussion ensued and the members were apprised of the following:
 - (i) The preliminary Net Income for the Port for the 12 months ending June 30, 2015 is \$2.88million. This will change with the yearend adjustments and a write off of \$120k for old unusable Fixed Assets that is beyond their useful life, repair and unsalvageable as well as assets that were de-commissioned in prior years and not removed from the asset register. As a result of the year-end adjustments, the estimated Net Income could be closer to \$2.7million. The Board approved the write off of the Fixed Assets.
 - (ii) The Board was briefed on the new Fixed Asset Register software and its capabilities and the improvements it will bring to tracking and report the Port's Fixed Assets.
 - (iii) The Board was also briefed on the extensive Appraisals carried out by BCQS on the Port's Land, Docks, and Buildings which management commissioned during the year. But, the report received from BCQS is too flawed in many areas, especially as it relate to the dollar values appended to the assets. As a result, the appraisals were largely unusable from the PACI's point of view. Management has asked for the board's approval to engage a proper firm with appropriate experience and qualifications in valuing Ports and marine assets. The board agreed that this must take place in order to obtain the proper values for the Port Assets.



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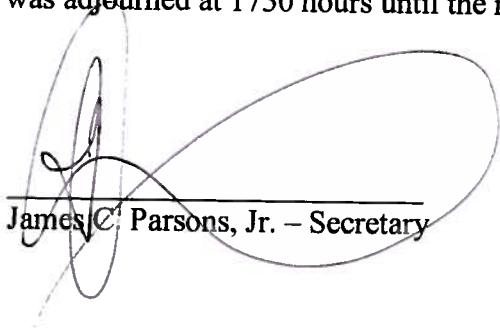
12. Other Business:

- a. A letter received from Paul Alberga seeking permission to distribute maps to the cruise passengers from his kiosk on the RWCT was not approved.
- b. The Board approved the acting allowance for Clement Reid and James C. Parsons. The Board asked that upon Preparation of the allowance checks the chairman be apprised of the pay-outs. Furthermore, the checks are to be signed by authorized signatories other than those by the payees.
- c. The Board asked of management to approach Gailya Hall, the owner of the portion of property at the south terminal, to enquire if she will consider selling the said property to the Port Authority and if so, at what price.

Adjournment:

There being no further business the meeting was adjourned at 1750 hours until the next regular meeting.



Errol Bush – Chairman

James C. Parsons, Jr. – Secretary