

**BOARD OF DIRECTORS MEETING**  
**Port Authority of the Cayman Islands**  
**45A Harbour Drive**  
**December 16, 2015**  
**388**

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A meeting of the Port Authority of the Cayman Islands Board of Directors was held on Wednesday, December 16, 2015 at the Port Administration Building, 45A Harbour Drive, Grand Cayman, Cayman Islands. Chairman Errol Bush called the meeting to order at 1:10 p.m. and welcomed Charles Clifford to his first meeting as Collector of Customs and all other attendees.

- **Board Member Attending:**

- Mr. Errol Bush, MBE – Chairman
- Mr. Gerald Kirkconnell – Deputy Chairman
- Dr Dalton Watler, PhD – (Ministry of DAT&T)
- Mr. Ashton Bodden, JP
- Ms. Jacqueline Scott
- Mr. Robert Foster
- Mr. Arek Joseph, OBE
- Mr. Woodward DaCosta
- Mr. Charles Clifford, JP – (Customs)
- Mr. Clement Reid – Secretary

- **Other Attendees:**

None

1. **Apologies for Absence(s):**

Mr. Michael Nixon – (Ministry of Finance)

2. **Confirmation of minutes:**

Minutes for Meeting # 386 were approved by the Board and a motion to accept the minutes was moved by Mr. Gerry Kirkconnell and seconded by Ms. Jacqueline Scott.

Minutes for Meeting # 387 were approved by the Board and a motion to accept the minutes was moved by Ms. Jacqueline Scott and seconded by Mr. Ashton Bodden.

**3. Declaration of Conflict of Interest:**

None Noted.

**4. Matters arising from Previous Minutes:**

None noted.

**5. Port Director's Monthly Report:**

**(a) PD Report:** - The Board noted the report of the Port Director.

**(b) Operations Report:** - The month of November saw 21 cargo ships trading and making 42 port calls. There was a 40.0% and 27.3% change respectively when compared to the same period last year. Cargo tonnage increased by 39.7% and as a result the tons of cargo handled per hour increased by 34.3% compared to the same period last year.

**(c) Security and Cruise Report:** - Cruise arrivals increased by 2% from 552,763 passengers for the first five months of the fiscal year 2015 to 563,957 passengers for the first five months of fiscal year 2016. The five month income from cruise passengers for the period July to November increased from \$1,359,792 in 2014 to \$ 1,387,334 in 2015. This is an improvement of \$27,542 or 2%. PACI's actual cruise passenger income was more than the budgeted by \$99k or 8%. Cruise passenger arrivals were also 8% better than projected.

**(d) Annual Financial Statements:** - The Port Authority's financial performance for the five months ended November 30, 2015 shows an improved result over 2014. The PACI recorded a profit of \$2.44M for the five month period in comparison with \$1.1M for the period July to November 2014, and the five month budgeted profit of \$658K. This is an improvement over 2014 of \$1.4M or 128%. This was mainly due to the result of increased cargo activity over the previous financial year. This is consistent with cargo income increase of 16% for the comparative period, with overall gross income increasing by 13%.

**6. Update on Cruise Berthing Project:** - PwC is currently working on passenger volume commitments with cruise lines and are expected to have this finalized by December 31, 2015. Interviews for the Senior Project Manager are scheduled to take place in mid-January 2016.

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## 7. Update on Various:

- (a) **Tower Building Site Agreement with L & S:** – The site is currently being made ready to receive vehicles for ground transportation and parking for the tenants at RWCT. A request was sent to Mr. Tristan Hydes in the Ministry of PLAHI to give an update on government's future plans for this site. The site was used on December 6, 2015 to dispatch ground transportation due to the road closures to facilitate the CI Marathon.
- (b) **CDC Pavement Refurbishment:** - Work continues on developing the Master Plan for this facility. In the interim, various sections of the container yard urgently require remediation due to the ground being severely saturated from the recent rain showers. Monies have been allocated in the 2015/16 budget to address this issue. Quotes will be requested in January 2016 for the remediation work.
- (c) **HD Cargo Dock Pavement Refurbishment:** - The deadline for submission of bids for this project expired on November 27<sup>th</sup>, and was opened at the Central Tenders Committee meeting on December 4<sup>th</sup>, 2015. The bids have been analysed by APEC Consulting Engineers and a report submitted to CTC with their recommendation. It is anticipated that CTC will meet in early January 2016 to review the report and if approved the contract could be awarded in late January 2016.
- (d) **IT Audit:** - KPMG are still awaiting the final version of the redeveloped web portal before they can complete their report.
- (e) **Rental to West Indian Marine (WIM):** - WIM Marine has agreed to the recommended changes and has signed the Lease Agreement effective August 2015.

## 8. Actuarial Valuation Report – Post Retirement Healthcare Benefits:

The report is currently undergoing an internal review. A meeting is being arranged through the Deputy Premier with the Minister of Finance to formulate a plan on addressing this issue.

## 9. Other Business:

- (a) It's Sugar, RWCT tenant, has submitted a proposal to PACI for a change of use for the space currently leased. Members Agreed not to

approve this request for change of use.

- (b)** PACI has obtained legal advice from Ritch and Conolly and are advised that after reviewing the Florida Caribbean Cruise Association Agreement (2003), "The Agreement only affects the rights and obligations of those who are party to it and it does not affect the rights and obligations of those who are not party to it". Port Regulations (2013 Revision) requires PACI to levy a tariff of CI\$0.35 per manifested passenger for using tenders. The tariff which has never been collected results in lost revenue of over half million dollars per year for PACI and becomes an audit point of the Financial Report each year.

Gerry Kirkconnell recused himself from the room as he deemed he was conflicted. The Ministry of DAT&T shall be consulted prior to the implementation of this fee because it might conflict with their existing policies.

- (c)** Members Agreed to host the Employee of the Quarter to lunch prior to the commencement to their end of quarter monthly meeting.
- (d)** The Royal Watler Tenants Association attended a meeting with PACI Senior Management and requested security of tenure for their businesses that operate at RWCT. They would prefer to have a 3-5 year Lease Agreement which would allow them to plan accordingly for their businesses. Members Agreed that the status quo would remain with their Licences valid for 1 year. Members also Agreed to amend the existing License to reflect that the Licensee will be given first right of refusal should a new retail outlet be constructed as part of the proposed Cruise Berthing Facility.
- (e)** The current Policy Letter on Bunkering (Nov 27, 2014) for marine fuel has netted PACI US\$21,308.75 or CI\$17,473.18 for 2015 YTD. The USCG made eight calls and received 106,543.75 gals of marine diesel from SOL Petroleum Cayman Ltd.
- (f)** The auction of abandoned cargo that was held on November 28<sup>th</sup> resulted in CI\$24,371.88 net income for PACI. Members requested that the Abandoned Cargo and Auction policy be amended to state that the sale of alcohol and tobacco products can only be sold to licensed merchants.
- (g)** The License to Occupy contract with Ktone Ltd. has no expiration date but can be terminated by either party given 30 days' notice of such termination, see section 6.1. Members Agreed to exercise this section

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of the License and terminate it by given Ktone Ltd. 30 days' notice.

- (h) Members Agreed to the Addendum to provide Recruitment Services in relation to the Deputy Director of Cargo Operations, Office Manager and Manager - Facilities and Special Projects that was submitted by Deloitte. The offer letters and employment contracts will be handled by PACI's HR Manager.
- (i) Members Agreed to grant permission to the Port Director to use his PACI issued credit card to cover the cost of the Directors dinner at Luca Restaurant on December 17<sup>th</sup>, 2015.
- (j) Members Agreed to the request from HM Customs to allow them access to PACI's CCTV on the cargo dock and cruise terminals.

**Adjournment:**

There being no further business the meeting was adjourned at 3:25 pm until the next regular meeting.



Errol Bush - Chairman



Clement Reid – Secretary