

**BOARD OF DIRECTORS MEETING
Port Authority of the Cayman Islands
45A Harbour Drive
January 28, 2016
389**

A meeting of the Port Authority of the Cayman Islands Board of Directors was held on Thursday, January 28, 2016 at the Port Administration Building, 45A Harbour Drive, Grand Cayman, Cayman Islands. Chairman Gerald Kirkconnell called the meeting to order at 1:00 p.m. and welcomed attendees.

- **Board Member Attending:**

- Mr. Gerald Kirkconnell – Chairman
- Dr. Dalton Watler, PhD – (Ministry of DAT&T)
- Mr. Ashton Bodden, JP
- Ms. Jacqueline Scott
- Mr. Michael Nixon – (Ministry of Finance)
- 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. Errol Bush, MBE

2. **Confirmation of minutes:**

Minutes for Meeting # 388 were approved by the Board and a motion to accept the minutes was moved by Mr. Arek Joseph and seconded by Mr. Charles Clifford.

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 14 cargo ships trading and making 33 port calls. There was a 27.3% and 26.9% change respectively when compared to the same period last year. Cargo tonnage increased by 9.1% and as a result the tons of cargo handled per hour increased by 4.8% compared to the same period last year. The importation of aggregate also increased by 133.0% compared to the same period last year.

(c) Security and Cruise Report: - Cruise arrivals increased by 8% from 748,040 passengers for the first six months of the fiscal year 2015 to 807,931 passengers for the first six months of fiscal year 2016. The six month income from cruise passengers for the period July to December increased from \$1,840,173 in 2014 to \$1,987,510 in 2015. This is an improvement of \$147,337 or 8%. PACI's actual cruise passenger income was more than the budgeted by \$113k or 6%. Cruise passenger arrivals were also 6% better than projected. The future outlook also seems positive based on the increased bookings projected by the cruise lines.

(d) Financial Report: - The Port Authority's financial performance for the six months ended December 31, 2015 shows an improved result over 2014. The PACI recorded a profit of \$2.55M for the six month period in comparison with \$1.46M for the period July to December 2014, and the six month budgeted profit of \$1.11M. This is an improvement over 2014 of \$1.08M or 74%. This was mainly due to the result of increased cargo activity over the previous financial year. This is consistent with cargo and cruise income increase of 14% and 8% respectively for the comparative period, with overall gross income increasing by 13%.

6. 2016-17 Budget and Ownership Agreement: - Members deferred approval of the budget to a future meeting.

Management was requested to revisit the CAPEX section of the budget and prioritise the items. A pay down schedule for the outstanding property insurance premium owed to CIG and the creation of a sinking fund for the Defined Healthcare Benefits for retired employees must also be included in the budget.

7. Update on Various:

- (a) **Tower Building Site Agreement with L & S:** – The site is almost ready for purpose. Outstanding items include the building for dispatching ground transportation and electrical supply.
- (b) **CDC Pavement Refurbishment:** - Work continues on developing the Master Plan for this facility.
- (c) **HD Cargo Dock Pavement Refurbishment:** - The project experienced a delay due to the Central Tenders Committee (CTC) requesting additional information on the tender submittals. The Project Managers are currently in the process of finalizing their response to the additional request which will be submitted for Board approval prior to CTC submission.
- (d) **IT Audit:** - KPMG are still awaiting the final version of the redeveloped web portal before they can complete their report. NetClues have committed to having the new website completed no later than February 1st, 2016.
- (e) **Update on Cruise Berthing Facility Project** - PwC continues to work on securing passenger volume commitments with cruise lines. The Ministry maintains an open communication line with the respective cruise lines. The FCO representative has been briefed by the Chief Officer on the progress to date and the next steps involved in the process. The Ministry has instructed the engineering consultant, Baird and Associates to investigate the possibility of pushing the piers further offshore to mitigate the possible environmental damage from dredging. Interviews for the Senior Project Manager have concluded. A total of four candidates were interviewed for the post by a panel comprising the Port Director, Public Works Director, PACI HR Manager and Acting Chief Project Manager from the Projects Office. The selected candidate will undergo further interviews at a later date. The Senior Project Manager will be employed as a PACI staff but seconded to the Special Projects Office located at the Public Works Department.

Mr. Woodward DaCosta moved a motion and was seconded by Mr. Robert Foster requesting that the Deputy Premier be present for the next Meeting to give an update on the status of the project because it has implications on the 2016-17 Budget.

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(f) Cruise Ship Tender Fees, PACI Regulations (2013 Revision) 129(7): - A meeting took place on January 8th, 2016 with the Deputy Premier and his Chief Officer, PACI Chairman and Port Director to discuss the options available regarding enforcing this section of the Port Regulations. It was Agreed that in the spirit of negotiations with the cruise lines that is currently ongoing for the Cruise Berthing Facility, the Government would amend section 129(7) and repeal it from the Regulations. The Chief Officer has prepared a Caucus Paper and Cabinet Paper to amend the Regulations as agreed.

(g) Recruitment of Staff – Deloitte: - Deloitte has been engaged to assist PACI with recruiting a Deputy Port Director – Cargo, Office Manager and Manager of Facilities and Special Projects.

8. Other Business:

(a) The PACI Chairman, four Members and the Port Director will be attending the American Association of Port Authorities (AAPA) Commissioners Seminar in West Palm Beach, FL on February 8-12, 2016

(b) Members were shown the promotional video for PACI that was produced by Awesome Productions and will be posted on the new PACI website.

Adjournment:

There being no further business the meeting was adjourned at 4:25 pm until the next regular meeting.



Gerald Kirkconnell - Chairman



Clement Reid – Secretary