



CAYMAN PORT

**BOARD OF DIRECTORS MEETING
Port Authority of the Cayman Islands
45A Harbour Drive
30th November, 2017
Meeting No. 418**

A meeting of the Port Authority of the Cayman Islands Board of Directors was held on Thursday, 30th November, 2017 at the Port Administration Building, 45A Harbour Drive, Grand Cayman, Cayman Islands.

1. Welcome and Call to Order

Chairman Errol Bush welcomed attendees and called the meeting to order at 1:20pm.

2. Attendance and Apologies

Members Present

Mr. Errol Bush, MBE – Chairman
Mr. Arek Joseph, OBE – Deputy Chairman
Mr. Ashton Bodden, JP
Mr. Robert Foster
Mrs. Jacqueline Scott-Rankine
Mr. Stran Bodden (Ministry of DAT&T)
Mr. Michael Nixon (Ministry of Finance)
Mr. Randy Whittaker – (HM Customs)
Mr. Richard Parchment
Mr. Clement Reid – Port Director

Apologies for Absence(s):

Mr. Ken Thompson
Mr. Charles Clifford – (HM Customs)

Other Attendees

Ms. Robynette Hera – Recording Secretary

3. Quorum

IT WAS RESOLVED that in accordance with Section 17 (1) (g) of the Public Authorities Law 2017, a quorum of the simple majority of the Members who are entitled to vote were present and that the business would proceed.

4. Review and Approval of Minutes

IT WAS NOTED that the Minutes of Meeting #417 held on 12th October, 2017 were approved by the Board; moved by Mrs. Jacqueline Scott-Rankine and seconded by Mr. Ashton Bodden.

5. Updates from Previous Minutes

a) Legal advice on Public Authorities Law 2017 by Attorney General's Chambers

During the meeting held on 12th October, 2017, the Board instructed the Port Director (PD) to seek clarification from the Attorney General (AG) on the responsibilities of the PD, Board and Chief Officer with respect to personnel management of PACI under the PAL. The appropriate channel for acquiring this type of information from the AG's Chambers is through PACI's Chief Officer, Mr. Stran Bodden. The PD requested that Mr. Stran Bodden contact the AG's Chambers. Mr. Stran Bodden, contacted the AG's Chambers and they responded on 17th October, 2017.

The PD referred to the email from the AG's Chambers which details the responsibilities as below:

--begin quote

The PAL outlines in detail the roles of the Board, the CEO and the Chief Officer.

Section 8(2) of the PAL states,

"A board shall be responsible for the governance of the public authority, including the general administration and oversight of its affairs and business, in accordance with the provisions of this Law and any other Law."

The general responsibilities and specific responsibilities of the Board are provided for in sections 15 and 16 of the PAL. These responsibilities are consistent with the role of the Board stated in section 8(2) above, that is to provide governance which includes general administration and oversight of the affairs and business of the public authority. The day to day management of the public authority is however the responsibility of the Chief Executive Officer who is accountable to the Board (section 31 (2)). The CEO's responsibility as it relates to HR matters are outlined in paragraph (c) of section 31. Section 32 allows him to delegate his HR responsibilities as provided for in section 31(2). The duties or role of the Chief Officer are stated in section 51 and do not include a direct involvement in the HR matters of the PA but effectively requires the Chief Officer to provide monitoring and guidance to the PA in the various areas stated in section 51.

Reference to the "public authority" in section 41 (1) should be interpreted in consistency with the other provisions of the PAL. The responsibilities of the various offices are clearly outlined under the PAL and there are no conflicts in their roles or functions. It should be noted that the Board, CEO and Chief Officer when carrying out their functions under the PAL are all representing the PA. Where the Board is assigned responsibilities under the PAL it is specifically named, to that extent a reference to "public authority" without more ought not to be construed as a reference to the Board.

We recommend however that the provisions of section 42 (7) be reviewed. It states,

"A chief executive officer, or a staff member to whom the chief officer has



delegated the function of appointing other staff, shall, after considering the report of the interview panel, appoint the applicant who, in the opinion of the chief executive officer, has the best skills, knowledge and integrity to carry out the duties required in a highly competent manner and the appointment shall be made solely on the basis of merit."

It appears the word "executive" was erroneously left out of the first line and should be inserted between "chief" and "officer".

In the absence of an amendment the section lends itself to an interpretation not intended by the legislator in light of the express responsibilities of the CEO under the PAL.

--end quote

It was noted that Mr. Stran Bodden is trying to arrange a meeting with the Portfolio of the Civil Service to discuss the responsibilities of the PD, Board and Chief Officer with respect to personnel management of PACI under the PAL.

b) Update on Cruise Berthing Project

The PD summarised the cruise berthing facility (CBF) project update. The PD mentioned that a team from the Ministry and PACI, led by the Chief Officer, were able to meet with Carnival, Norwegian, and Royal Caribbean cruise lines in Miami 9th – 10th October, 2017. There was also a meeting with Disney on 13th October, 2017. The Deputy Premier was able to join the team on the last day of the meetings. The plans for the cruise berthing facility (CBF) were highlighted and the cruise lines gave their advice and feedback on the width and length of the pier based on new ships in production and what they see in the next 5 to 10 years. This feedback prompted CBF plan to be updated to reflect these changes.

The PD mentioned that a notice was received from Department of Environment (DOE) on 17th November, 2017, indicating they did not approve the trial coral relocation programme. PACI suggested taking a section outside of the marine park to reduce the environmental impact. However, the DOE still said no. The coral relocation methodology will have to be factored into the tender documents which will add to the cost of the project. The DOE also wants confirmation that there is a project (groundbreaking) before giving their approval.

The coral recruitment programme is still ongoing, despite the unfavourable weather displacing some plates. These plates have since been replaced.

It was noted that the plans for cargo facilities are viewed as part of the entire redevelopment of the Port of George Town – the funding that is needed for cargo facilities came as a result of putting in the CBF.

c) Cargo Distribution Centre Yard Redevelopment

The PD summarised the update on the Cargo Distribution Centre (CDC) yard redevelopment. Meetings were held in September and October with APEC to determine the most cost effective way to upgrade the existing yard. PACI suggested using geotextile material versus APEC's recommendation of demucking. Request for tenders were published on 23rd and 30th October, 2017. PACI received 2 bids on 14th November, 2017 and opened by CTC on 15th November, 2017. The PD stated that if given approval by CTC to negotiate with the selected bidder, the project will still be on schedule.

6. Port Director's Monthly Report

The PD's Report for November encompasses all other reports for the purpose of this meeting and covers October – November, 2017. The PD presented updates on the financial performance, strategic plan implementation, and risk and compliance management.

The PD highlighted that a delegation from the Cayman Islands attended and joint-exhibited at the Florida-Caribbean Cruise Association (FCCA) conference and trade show in Merida, Mexico, 23rd – 27th October, 2017. The delegation included members from the Ministry, DOT, Tourism Attraction Board, Crystal Caves, Cayman Turtle Centre and PACI. Meetings were held with Carnival and Royal Caribbean cruise lines, and good feedback was received.

It was noted that 90 percent of the Caribbean ports that were damaged during the recent hurricane season are now back online, and it is anticipated that the other ports will be back online by February, 2018. Currently, this has not affected the number of additional calls that Cayman has received, and if these calls remain through April, it will result in approximately \$250,000 in additional revenue, which will help make up for the loss in cruise passengers for the first 9 months in 2017 due to inclement weather.

Matters for approval

The PD sought and received approval from the Board for:

- a) The PD to be on annual leave from 18th December, 2017 to 5th January, 2018. The Deputy Director & Chief Logistics Officer, Mr. Willem Jacobs to be the Acting Port Director in his absence.

Matters for noting

- a) Deloitte provided an update on the Human Capital project and it is expected to be completed by December, 2017. The Chairman mentioned that Mr. Woodward DaCosta was no longer on the PACI Board and highlighted the need to replace Mr. DaCosta on the select committee for the Deloitte Human Capital project. The Chairman suggested that Mr. Arek Joseph, the Deputy Chairman of the PACI Board, be appointed, and the Board was in agreement.
- b) It was noted that the new Fleet Mechanic, Mr. Gary Watler, arrived in Savannah, Georgia on 26th November, 2017 and has now settled in. He will be receiving both hands-on and classroom training, and working alongside Konecranes' technicians on service calls. When he returns to Grand Cayman in December, 2017, he will be certified by Konecranes. He will be working with Konecranes' technicians when the new RTGs are delivered in March, 2018.
- c) It was noted that the contractor engaged to install the channel markers in the North South has gone bankrupt. PACI has engaged Ritch & Connolly to action non-conformance of the contract between PACI and the contractor and seek restitution for what has been paid to the contractor.
- d) The Chief Human Resources Officer (CHRO) is working with Deloitte in restructuring the IT department and how to manage knowledge retention.
- e) An invitation to PACI's Christmas party on 2nd December, 2017 was sent to the Board.



- f) The PD has been appointed to the Environmental Impact Assessment Board for EIA Proposed Solid Waste Management System.
- g) The PD has been reelected to lead the Caribbean delegation of the AAPA. There are executive committee meetings in January and March, 2018. The Board will be updated when the PD has to attend.
- h) It was noted that the Security company has replaced those guards that left due to the "pension exodus" and the new guards will all be trained.

7. Other Business

a) **Island Restaurants Lease Agreement Proposal**

A meeting was held on 26th October, 2017 with the Deputy Premier, Minister Joseph Hew, Chairman, Councillor David Wight, Mr. Arek Joseph, and Mr. Kevin Doyle to discuss the proposal. In reference to Mr. Kevin Doyle's letter dated 28th November, 2017, his last 3 paragraphs were not discussed or agreed in the meeting held on 26th October, 2017. It was noted that the Board was not in agreement with this proposal. The PD was instructed to respond to Mr. Doyle's letter and convey the Board's non-agreement to his proposal.

b) **Resolution for Authorised Signatures (Bank Mandate)**

The Board passed a resolution to add the new Deputy Chairman, Mr. Arek Joseph as an authorised bank signatory at the Royal Bank of Canada and remove Mr. Gerry Kirkconnell; moved by Mrs. Jacqueline Scott-Rankine and seconded by Mr. Richard Parchment. The Chairman deferred the resolution for the proposed additional signatories.

c) **Proposed PACI Board Meeting Dates for 2018**

There were no objections to the proposed meeting dates for 2018.

d) **Requests to waive port fees**

Several requests were received seeking approval from the PD to waive port fees for imports: Rotary Cayman Brac; DOT; and Cayman Winter Carnival. After a lengthy discussion on the PD and PACI Board's ability to waive port fees, it was noted that under current legislation there is no provision for the PD or the Board to waive or reduce port fees. Legislation will have to be amended in the future to give the PD or Board the ability to waive or reduce port fees.

The Board ratified the round-robin decision to defer port fees for the Cayman Winter Carnival; moved by Mr. Arek Joseph and seconded by Mr. Richard Parchment.

e) **Rental rates for Royal Watler unit**

The Board discussed rental rates for spaces in the George Town area compared to a rate proposed by Mr. Robert Hamaty. Mr. Hamaty's rate was significantly lower. It was noted that vacant space should be rented to anyone willing to rent until 2019 and cover the fit-out of the space. The existing rental fees at the RWCT will remain in effect for the vacant ITSugar building.



8. Adjournment and Date of Next Meeting

The Chairman adjourned the meeting at 3:21pm. It was noted that the next meeting will be held on 14th December, 2017.



Mr. Errol Bush – Chairman



Ms. Robynette Hera – Recording Secretary