



CAYMAN PORT

**BOARD OF DIRECTORS MEETING
Port Authority of the Cayman Islands
45A Harbour Drive
21st February 2018
Meeting No. 421**

A meeting of the Port Authority of the Cayman Islands Board of Directors was held on Wednesday, 21st February 2018 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 1:13 pm.

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. Perry Powell (Ministry of DAT&T)
Mr. Michael Nixon (Ministry of Finance)
Mr. Charles Clifford – (HM Customs)
Mr. Richard Parchment
Mr. Clement Reid – Port Director

Apologies for Absence(s):

Mr. Stran Bodden (Ministry of DAT&T)
M. Ken Thompson

Other Attendees

None

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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 #420 held on 31st January 2018 were approved by the Board; moved by Mr. Richard Parchment and seconded by Mr. Robert Foster.

5. Updates from Previous Minutes

a) Cruise Berthing Project

- The bidding process continues with the Invitation to Submit Online Solutions (ISOS). All questions are due by 15 February 2018 and submissions by 16 March 2018.
- Industry day took place on 05 February 2018. All 9 applicants were invited to visit the Port at their expense. A presentation was given by CIG, KPMG and the PACI. The applicants were also taken by bus to the Port to see firsthand the Port operation. Three cruise ships were in port that day. The presentation included a welcome by the Deputy Premier.
- The presentation also included the latest layout which incorporates the cruise line comments and emphasized the need to reduce the dredging and coral impacts to the environment. The new layout provides a 16% reduction in dredge volume, 16% reduction in dredge footprint and a 5% reduction in impact to the coral footprint.
- The ISOS phase weighs heavily (65% of total score) on the ability to finance.
- Appleby and Pinset Masons continue to develop contract agreements including:
 - Berthing agreement
 - Operations agreement
 - Payment structure
 - Tender documents
 - Responsibilities of CIG, Port, Cruise Lines, ProjectCo. Contractor and Funders to ProjectCo.
 - Concession agreements
- The project engineering consultant Royal Haskoning was on Island 11 January to 16 January to perform the first environmental inspection of the Coral Recruitment Programme. The divers have reported that coral is starting to grow on the tiles placed out in the harbor. A report has been submitted to DOE.

b) Cargo Distribution Yard Redevelopment

Update Cargo Yard Development

- Work is progressing at a rapid pace the Port is monitoring the critical path that runs through the activities needed to complete in preparation for the mobilization of KONE



cranes on 18 March 2018.

- KONE representatives were on site the middle of February to inspect the site and start preparations for their mobilization.
- McAlpine continues to make efforts to improve their schedule; we are presently 5 days ahead of schedule.
- Concrete pours are being completed in Sections. Section A (Needed for KONE Cranes) and B (Balance of Site). The first Section A was complete on the evening of 30 January 2018, 490-cubic yards were placed in 6-hours.
- The next concrete pour of Section A will complete on Tuesday evening 13 February 2018. Approximately 500 cubic yards to be placed. The runways for Section A will complete once the drainage is completed in this section.
- Retaining walls are being installed on both the North and South side of the site to allow for the improved site grade.
- Proof rolling, fill and compaction also continue as well as the installation of a new drainage system for improved water management.
- The target is to have the area KONE desires for crane assembly ready for asphalt preparation by 05 March 2018.

c) KPMG Business Continuity (BC) Plan and Disaster Recovery (DR) Plan

The draft DR document is scheduled to be delivered by 9 March 2018. The BC Plan document will be delivered in draft by Friday March 23rd, with a week allocated to iterate to conclusion by Thursday March 29th.

d) Tower Building Parking Lot

The yellow concrete blocks have been positioned along the sidewalks to prevent taxi and bus operators from parking in this area to solicit cruise guests for tours and transportation to the beaches.

e) Meeting with RCIPS and Public Transport Unit (PTU) on Taxi Soliciting along Harbour Drive

Types of individuals soliciting:

1. Those licensed by PTU with Port IDs who has chosen not to enter Port lineup
2. Individuals who do not have a valid Port issued ID, but are taxis, tour and/or Omnibus operators
3. Independents neither licensed by PTU or Port and in some cases even operating without a business license

Way forward:

- RCIPS will review the various laws in order to control soliciting as well as research previous actions taken related to this situation.



- o In the meantime, they will enforce the traffic law in these areas
- Upon confirmation of laws, meeting will be held between RCIPS, Immigration, DOT, PACI, PTU and DCI to introduce and drive "educate then enforcement campaign" (this campaign encompasses independent watersport/stingray city bookers)
 - o Meeting expected to take place by the end of February
- Through the above pending meeting, a request will be made to DCI to support inspections in these zoned areas on individuals operating without a valid T&B and/or PTU license
- PACI along with PTU Inspectors will provide PTU / DCI with reports on operators seen soliciting for further action

The Members of PACI would like to thank the RCIPS for the work being done to curtail the soliciting along Harbour Drive.

f) HRMIS and Accounting Software Applications

The Chairman in discussion with the HR Manager and CFO was asked to reconsider the purchase of these applications which will enable the PACI to improve its levels of efficiencies and reporting. The Board agreed to have a special meeting and invite the CHRO and CFO to make a presentation on the two systems. The presentation will take place on March 22, 2018 at 2:30 pm.

g) Meeting with NRA on Traffic Management at Spotts Terminal

The PD has a meeting scheduled with the Managing Director of NRA to review options for traffic management at Spotts Terminal on days of cruise operations. The meeting is scheduled for February 26 February 2018.

6. Port Director's Monthly Report

The PD's Report for January encompasses all other reports for the purpose of this meeting and covers January 2018. The reports include, PACI Management Accounts (un-audited) June 2016 – December 2017, Cargo Logistics, Security, Safety and Crisis Management. The PD presented updates on the strategic plan implementation, and risk and compliance management. There is a positive outlook for the performance of the Port given the anticipated cruise visitors and planned construction in 2018.

The financial year closed on 31 December 31, 2017 and shows a loss of CI\$6.3M due to the Defined Healthcare Benefit cost that is now recognized in the financials. During this period the PACI realized revenues of CI\$34.52M, exceeding the original target of CI\$34.3M by \$234k or 0.68% and final operating expenses of \$27M ending at 6% less than the original budget of \$28.6M.

The operating profit for the 18 months ending December 2017 was \$7.5M. This exceeded budget by 33% or \$1.9M.

Since 2013 the volume of cargo has increased by 28% and 4.5% over the last calendar year. TEU's are up by 4% over the last calendar year. Cruise volumes have also been positive since 2013 showing an increase of 27% and up by 1% over the last calendar year.

The PACI received an award from the Public Accounts Committee for receiving an unqualified opinion for the 2015/16 Financial Year.

Matters for approval

The PD sought approval from the Board for / to:

- a) None

7. Other Business

- a) **Circulation of Signed Minutes: 14 December 2017**
Members were furnished with copies of the signed minutes from the 14 December 2017 meeting.
- b) **Ratification of Round Robin on Project Level Service Agreement (PSLA) with PWD**
Members unanimously agreed to ratify the round robin decision to enter into a PSLA with PWD for consultancy services on the Cruise Berthing Project.
- c) **Employment of Senior Project Manager (SPM)**
Members discussed the current situation on the future employment of the SPM with PACI. The Deputy Governor (DG) has issued a memorandum that required all SPM's to be fully employed directly with the MPO by 31 March 2018.

As a matter of urgency, the Board instructed the PD to write to the DG through the CO and request a meeting to discuss the PACI exposure. It was agreed that Mr. Arek Joseph, Mr. Charles Clifford, Mr. Richard Parchment and the PD will meet with the DG.

- d) **Resolution to add Mrs. Jacqueline Scott-Rankine as signatory of the accounts at the Royal Bank of Canada**
A motion was moved by Mr. Robert Foster and seconded by Mr. Ashton Bodden to add Mrs. Scott-Rankine as a signatory on the accounts at the Royal Bank of Canada. The motion unanimously passed.
- e) **Creation of Human Resource Oversight Committee**
A motion for the creation of a Human Resource Oversight Committee was moved by Mrs. Jacqueline Scott-Rankine and seconded by Mr. Robert Foster and to nominate Mr. Richard Parchment – Chairman, Mr. Charles Clifford and Mr. Ken Thompson as members for this committee. The motion unanimously passed.



f) Creation of Audit and Risk Committee

A motion for the creation of an Audit and Risk Committee was moved by Mr. Robert Foster and seconded by Mr. Richard Parchment and to nominate Mrs. Jacqueline Scott-Rankine – Chairperson, Mr. Michael Nixon and Mr. Errol Bush as members for this committee. The motion unanimously passed.

g) Boat Engines

The investigation of the missing boat engines from Harbour House Marina has been referred to the HR Department with oversight from the HR Oversight Committee.

h) Update on Meeting for Cayman Winter Carnival

The Chairman and Deputy Chairman met with the Deputy Premier, Attorney General and Minister of Finance to discuss the outstanding Port fees that are owed by Cayman Winter Carnival for loading of their equipment on a vessel in early January 2018.

The Attorney General agrees that PACI is owed the outstanding fees even though Cayman Winter Carnival loaded the cargo onto the vessel using their own equipment. The amount owes remains a debt that is outstanding and will accrue a monthly interest charge of 1.5% until it is settled. If the amount is not settled and future cargo is imported by Cayman Winter Carnival, then the outstanding amount including the interest charges will have to be settled before the cargo can be released.

i) Island Restaurants Ltd Requesting Amicable Settlement

Members were informed of the letter that was received by Island Restaurants requesting an amicable settlement on the lease agreement at the RWCT. Members agreed that PACI remains firm in their earlier offer to honor the existing terms in the Lease Agreement.

j) Hyde Agency Ltd (HAL)

A letter was received from HAL requesting that the overtime that was charged in April 2017 be credited to their account. The overtime occurred as a result of PACI only having one crane operator on duty and HAL is of the opinion if PACI had its full complement of staff on duty, overtime would have been avoided.

Members agreed that this would be hard to prove and proposed offering a credit for half of the billed overtime. The PD was instructed to write to HAL accordingly.

k) Contracts for Janitorial Services

The current contracts are due to expire in 3 months and need to be publically tendered. The Procurement Department has contracted with Electronic Auction Services Inc. (EASi) which is a reverse bidding company to provide similar services to government.

EASi has proven with other government procurements that they have been able to offer substantial savings through the reverse bidding.

Members unanimously agreed to grant the PD approval to enter into contract with EASi for the tendering of Janitorial services for PACI.



8. Adjournment and Date of Next Meeting

The Chairman adjourned the meeting at 3:45 pm. It was noted that the next meeting will be held on 22nd March, 2018.



Mr. Errol Bush - Chairman



Mr. Clement Reid – Recording Secretary

