



CAYMAN PORT

**BOARD OF DIRECTORS MEETING
Port Authority of the Cayman Islands
45A Harbour Drive
27th April 2018
Meeting No. 426**

A meeting of the Port Authority of the Cayman Islands Board of Directors was held on Friday, 27th April 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 1:32 pm.

2. Attendance and Apologies

Members Present

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

Apologies for Absence(s):

Mr. Charles Clifford – (HM Customs)
Mr. Ken Thompson
Mr. Michael Nixon (Ministry of Finance)

Other Attendees

None

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 #423 held on 29th March 2018 were approved by the Board; moved by Mrs. Jacqueline Scott-Rankine and seconded by Mr. Ashton Bodden.

5. Matters Arising from Previous Minutes

a) Port Redevelopment Project Update

The Pre-Qualification stage commenced in May 2017 and is now complete. This stage included a questionnaire being issued which invited interested parties to demonstrate their ability to design, build, finance and maintain (DBFM) the proposed port facility.

Nine prospective bidders were pre-qualified and were subsequently sent an Invitation to Submit Outline Solutions (ISOS).

Pre-Qualified applicants had the opportunity to attend an Industry Day which included formal presentations on the major elements of the project and a visit to the George Town Port.

ISOS responses were due in March 2018. Five submissions were received and are currently being evaluated.

The goal is to submit the ISOS Evaluation Summary Recommendation report to Central Tenders Committee (CTC) in May 2018 for consideration.

The detailed timeline is as follows:

PREQUALIFICATION PHASE

Issue of Prequalification Advertisement	Complete (8 May 2017)
Issue of Prequalification Questionnaire	Complete (15 May 2017)
Submission of Prequalification Questionnaire	Complete (30 July 2017)
Central Tenders Committee Meeting	Complete (4 October 2017)

INVITATION TO SUBMIT OUTLINE SOLITION PHASE

Issue ISOS documents	COMPLETE (30 November 2017)
Industry Day	COMPLETE (5 February 2018)
Submission of ISOS Responses	COMPLETE (16 March 2018)
Evaluation of Submissions	ONGOING
Central Tenders Committee Meeting	May 2018

INVITATION TO SUBMIT FINAL TENDER STAGE (ISFT)

Issue final tender documents	May 2018
Final tender submissions due	July 2018
Evaluation of Submissions	August 2018
Central Tenders Committee Meeting	September 2018
Contract Award (be invited to engage in contract negotiations)	September 2018 (*preferred bidder will

b) Cargo Distribution Yard Redevelopment

Update Cargo Yard Development

Saturday, 24 March 2018 marked the completion of all major concrete pours.

McAlpine is approximately 1-week ahead of the overall schedule and site clean-up has commenced. Original Project completion was scheduled for 20 April 2018.

Punch list items include:

- Setting and finish concrete for the crane tie-downs
- Deliver and place the balance of Cayman rock.
- Completion of the seven (7) storm drains on the East side of the yard
- Demolition of the pavement on the East side in the footprint of the ramp that will tie the new elevation to the existing elevation
- Completion of the new electrical service
- Completion of North retaining wall
- Completion of the balance of final grade of crusher run and pavement
- KONE is scheduled to mobilize 03 April 2018.

Brief timeline of major completed activities:

- Award to APEC to design cargo yard improvements July 2017
- Design process August to November 2017 during this time frame the Port in collaboration with APEC reviewed 6 options in an effort to decide on the best and most cost-effective design for the given site conditions.
- Award was made to Mc Alpine in December 2017 under a competitive bidding process with CTC. Value engineering was again performed with APEC and Mc Alpine to reduce cost.
- Mc Alpine mobilized 02 January 2018
- Project complete in April 2018 this represents ten (10) months from engineering to construction completion. This is a significant success for the PACI.

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

KPMG failed to meet the agreed timeline of submission of 29 March 2018. Members have expressed their desire to have this project completed with the next 30 days.

d) Indemnification for Board Members

The PD has written to the Managing Director, CIMA, to enquire what language was used in their request to obtain indemnity for their Board of Directors. Upon receipt from CIMA the PD will incorporate similar wording into letter to be sent to the Chief Officer, Mr. Stran Bodden.

6. a) Port Director's Monthly Report

The PD's Report encompasses all other reports for the purpose of this meeting and covers March 2018. The reports include, 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.

March was a month of mixed results for the maritime sector.

There was a total of 19 cargo ships trading and making 44 port calls. Cargo tonnage increased by 11.8% compared to the same period in 2017.

During the period, Mar 1, to Mar 31, 2018, we received 80 cruise calls. We handled 232,902 passengers, which was 17.6% increase over the 199,844 passengers received in March 2017. No calls were lost in March due weather.

The PACI earned income of \$4.097M or 8% above the \$3.81M budget for the 2-month period and incurred total expenses of \$3.2M or 16% less than the \$3.8M budget for Jan-Feb 2018. This resulted in a net profit of \$895K for the two months ended 28 February 2018. This is a \$884K or 7657% more than the \$12K expected profit at the end of February 2018 in the approved budget.

The \$4.0M revenue was \$385K or 10% more than the same period last year. The actual expenses of \$3.2M was \$345K or 10% less than the Jan – Feb period in 2017, resulting in the profit being \$730K or 443% above the 2017 net profit.

Total assets improved by \$3.6M or 6% while Liabilities increased by 8% or \$2.9M, resulting in a \$727K or 3% increase in closing equity ay February 2018.

f) **Audit and Risk Subcommittee Meeting Minutes**

The Chairperson tabled the following reports of the Audit and Risk Subcommittee:

Meeting held on 1 March 2018
Meeting held on 20 March 2018
Meeting held on 24 March 2018

Members unanimously agreed to accept the reports from the Audit and Risk Subcommittee that were held on the dates mentioned above. A charter for the subcommittee is currently being drafted. The Business Case for the procurement of an Accounting Software was approved by the subcommittee. Cost savings in the 2018 budget will come from staff costs and in the Operations (admin) and Events budget which will fund the purchase of the HR and Accounting software. A Deeds of Indemnity for Board Members has been requested from the Government. The Financial Statements for the two months ending 28 Feb 2018 as presented by the CFO, James Parsons, were approved by the subcommittee. The subcommittee agreed on a motion that requires all PACI staff to annually submit a Register of Interest. The subcommittee has issued a deadline to the PD to have the Employee Manual updated by 30 June 2018 to reflect the various changes in laws and regulations.

Matters for approval

The PD sought approval from the Board for / to:

- a) The expected Go-Live date for the two new RTG's and Yard Management System is 12 June 2018. PACI has received correspondence from Konecranes regarding a dedication ceremony for the event. Permission is being sought to execute a dedication ceremony for the CDC Yard Redevelopment and new RTG's. Invited guest will be the Cabinet, MLA's, Chief Officers, PACI Board and industry stakeholders.

Members unanimously agreed to grant the Port Director permission to execute the Dedication Ceremony. The Board will receive a draft outline and programme for review and approval prior to the final print.

- b) Permission is being sought to advertise internally and recruit for the position of HEOII (RTG Operator). The wage band for this position is \$14.86 – \$22.28 per hour. A draft advertisement forms part of this Meeting Package.

Members unanimously Agreed to grant the Port Director permission to advertise internally and recruit for the position of HEOII (RTG). Updates on the progress of the internal recruitment will be circulated to the Members.

- c) Permission is being sought for PACI to participate in the inaugural Camana Bay Boat Show 2018. The event is being sponsored by DART and includes a: 10' x 10' booth, 1 table, 2 chairs, access to Wi-Fi and electricity for the booth. One of the PACI Harbour Patrol vessels will be on display for the show. The PACI will participate along with DOE, RCIPS, MACI and National Museum in one of the small break-out educational sessions that is being offered to the public.

Members unanimously Agree to grant the Port Director permission for PACI to participate in the Camana Bay Boat Show 2018.

7. Other Business

- a) **Circulation of Signed Minutes: 21 February 2018**
Members were furnished with copies of the signed minutes from the 21 February 2018 meeting.
- b) **MOU between RCIPS and PACI for SAR Emergency Response**
Members reviewed the email and draft MOU from Mr. Phil Bostock, National Maritime Operations Commander (HM Coastguard).

Members unanimously Agreed that the PACI assets and Human Resources are not trained in performing these types of missions and would therefore expose the PACI to liability. The Port Director was instructed to inform Mr. Bostock of the Board decision

not to enter into a MOU for SAR with the RCIPS.

- c) **Request from the CI National Weather Service for Financial Assistance (AWOS Project)**
The Chief Officer (CO) informed the Board that the Ministry will be responsible for the funding of this project in two phases, commencing with the procurement and installation of 4 buoys in 2018 and the remainder in 2019. The CO however asked the PACI to render assistance, by use its assets, to the National Weather Service during the deployment of the buoys.

Members unanimously agreed that PACI will assist the CI National Weather Service during the deployment of these buoys around Grand Cayman.

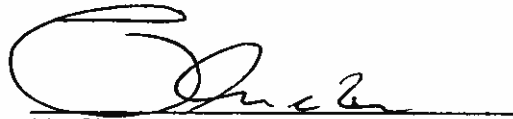
- d) The HR Subcommittee reviewed the Revised Organisational Structure Report and was presented by the Port Director and fully rejected by the sub-committee. The Chairman of the sub-committee issued a new set of instructions to the PD to produce a revised Report that would rectify the issues that were identified in the OAG Report 2017 with the intention of returning the payroll expense to its previous level.

8. Adjournment and Date of Next Meeting

The Chairman adjourned the meeting at 4:10 pm. It was noted that the next meeting will be held on 11th May 2018.



Mr. Errol Bush - Chairman



Mr. Clement Reid – Recording Secretary