

## MINUTES – MEETING # 530

### AGENDA ITEMS

A meeting of the Board of Directors for The Port Authority of the Cayman Islands, was held in the PACI Alexander Boardroom, 393, Gerrard Smith Avenue, West End, Cayman Islands on May 31<sup>st</sup> 2024 at 10:30 AM.

#### 1. WELCOME AND CALL TO ORDER

The Chairman, Mr. Cline Glidden welcomed the attendees and called the meeting to order at 10:33 AM. Mr. Matthew Adam gave a word of prayer.

#### 2. ATTENDANCE AND APOLOGIES

##### Members Present:

- i. Mr. Cline Glidden - Chairman
- ii. Mr. Richard Parchment - Deputy Chairman
- iii. Mrs. Jackie Scott-Rankine - Board Member
- iv. Mrs. Carilee Bolen - Board Member
- v. Ms Irma Arch - Board Member (zoom)
- vi. Mr. Stran Bodden – Ministry of Tourism and Ports (zoom)
- vii. Mr. Matthew Adam - Board Member
- viii. Mr. Ashton Bodden, JP - Board Member
- ix. Mr. Michael Nixon - Ministry of Finance

##### Apologies for Absence:

Mr. Charles Clifford - Cayman Islands Custom and Border Control

Mr. Paul Hurlston – Port Director

##### Invited Guest:

Mr. Donovan Hutchinson – Acting Deputy Director of Finance and Administration

#### QUORUM

**IT WAS RESOLVED** that in accordance with Section 17(1)(g) of the Public Authorities Act (2020 Revision), a quorum of the Members who are entitled to vote, were present and business could proceed.

#### 3. REVIEW AND APPROVAL OF MINUTES

Meeting Minutes #529 were reviewed, Mrs. C. Bolen moved the motion to accept the minutes and Mr. M. Adam seconded. The motion was passed.



## MATTERS ARISING FROM PREVIOUS MINUTES

- a) The Chairman thanked the Large Importer Sub-Committee Chairwoman, Mrs. I. Arch, for arranging the private sector committee to discuss the transportation of Hybrid and Electric Vehicles (EVs) with the members. He pointed out that it was an informative meeting which pointed out the challenges and risks these vehicles posed to the Islands with the current shipping industry policy, that is in place. The CO advised that this is a national issue with these vehicles being imported from out of the country due to the various shipping reservations, even if the cars are new. The CO advised that it would be beneficial to have a national discussion on this matter, and we should invite the group of shippers who attended the last board meeting, and have documentation sent to the Government (Caucus) advising them of concerns addressed in the previous Board meeting. The Chairman suggested that the Port Authority is to share the information and concerns discussed with the Government. **A discussion ensued. The Chairman requested that the Audit and Risk Chairwoman draft an informative letter to the CO on behalf of the Port Authority regarding the concerns and discussions. All members agreed.**

## NEW BUSINESS

### 2023-2027 Budget Examination

- a) The Acting Deputy Director of Finance and Administration (ADDFA) delivered the financial projections. He advised the members that they would be reviewing the assumptions versus the actual, that went into the budget preparation. He advised that the members would be reviewing the assumptions of 2024 to 2025 and how the Port has performed to date. He gave a detailed review to the members of the CAPEX for 5 (five) and 10 (ten) years. The ADDFA reviewed the audited financial statements with the members. The ADDFA then gave a detailed overview of the Port's cargo moving forward, there should be a recommendation sent to the Cabinet in terms of keeping the recommending budgets forecasted for the future and having the ability to make changes in the budget annually, to the module. The CO gave a detailed overview of the process regarding submitting the budget recommendations on an inflationary basis by the Port to be considered by the Cabinet to be completed yearly rather than wait until the proposed suggested ten (10) or fifteen (15) years. **A discussion ensued, and all members agreed that more discussion would be needed.**

### Cruise Passengers

- b) The (ADDFA) reviewed with the members, that the Cruise passengers' numbers projected is currently at one million (1,000,000) through to 2026. He reviewed with the members the projected passengers' fees which was measured through current cruise bookings. The members discussed the concerns and the impact of the lowering of numbers in the cruise business and tourism would have on the islands and particularly the Port Authority revenue.

### Cargo Handling

- c) The ADDFA gave a detailed overview of the Port cargo handling. He explained that there was a three percent cargo growth (3%) in tariff. He explained to the members that if everything continues, the Port budgetary projection would be on target for the end of the year. The Chairman queried about the Port storage Facilities for the cargo area. The Port Director explained that since storage fees were evaluated, goods are being cleared slightly quicker, but overall, the volume of goods coming into the island is still creating storage issues at the warehouse and, if not rectified, will continue to be a significant issue and strain on the Port. The Port Director pointed out that there is a piece of





land that the Port was interested in purchasing to help elevate this growing issue. A discussion ensued. The Chairman requested that the Port Director reach out to the land owner to discuss acquiring the property on a long-term or short-term agreement with the Port. **Mrs. J Scott-Rankine moved the motion for the Port Director to discuss with the property's land owners the possibility of acquiring the land space for a long/short-term period. Mrs. C. Bolen seconded. All Members agreed.**

The ADDFA informed the Members that the Port profits will be astronomical if the forecast for this year continues to do well for the remainder of the year. He pointed out that the Port has not seen this type of increase in earnings in many years.

### CAPEX Projection

#### Operating Expense for Rental/Royal Watler

- a) The ADDFA reviewed the rental rates and CAM (common area maintenance) with the members. After discussion, the Chairman recommended that a committee be established, which would include a member of the Board, Port Director, and the tenants for enhancement projects, marketing, and feedback to make the Islands a destination better for our cruise guests. The members selected Mr. R. Parchment as the Board's representative. **All Members agreed. The motion was moved to accept the Capex with the understanding that the report will cover safety reports, including the 2024 discussed training initiatives and facilities report, which should include Cayman Brac. Mr. M. Adam seconded the motion. All Members agreed.**
- a) The Audit and Risk Sub-Committee Chairwoman advised the Members that the Cabinet has approved the CBC lease for the Royal Watler meeting room. The Audit and Risk Sub-Committee Chairwoman reminded the members that in a previous meeting, it was discussed that due to revenue not being met by CBC at the location, the Board had decided to utilize the space for the Port staff. A discussion ensued. The Chairman advised that the Audit and Risk Sub-Committee will meet with CBC to discuss the leasing agreement with the Port. The Port Director explained that the Port needs the space. He explained that CBC is using the area as a meeting center and gave recommendations for another area that CBC could use for its training needs. A discussion ensued. **Mrs. J Scott-Rankine moved the motion for the Port Director to meet with CBC to offer an alternate location with more space for their training area. Mr. M. Adam seconded the motion.**
- b) The Audit and Risk Sub-Committee Chairwoman advised that a discovery was made that DEH is utilizing space at Royal Watler (the former nursing station), which was temporarily approved by a past Acting Port Director without the Board's knowledge. She advised that they currently do not have a lease agreement with the Port Authority for operating in the space. A discussion ensued. **The Deputy Chairman moved a motion for the Port Director to get in touch with DEH to enter into an agreement with the Port Authority, or they would have to cease and desist utilizing the space at the Royal Watler, and the Port Director is to speak with CBC to see if they would have an interest in being relocated to this space (the former nursing station) Mrs. C. Bolen seconded the motion. All Members agreed.**

#### Update on Renovations at Royal Watler

- c) The Port Director gave a detailed update on the Cargo Distribution Center (CDC) flooring renovation projects. He also discussed the roofing of the North and South terminals and advised the members





of the budget for the renovation of the administration building, the security booth, and the command center at Royal Watler.

### Update on Cranes and Equipment Purchase

- b) The ADDFA reported that the business case for purchasing the cranes was completed; he advised the Members of the cost of the two cranes needed for the Port's continuous operations. The Port Director updated the members on his discussions with the suppliers. Mr. A. Bodden inquired if the purchasing of the equipment would tap into the Port's reserves; the ADDFA confirmed that funding for the equipment would not tap into the Port's reserves. The Chairman thanked the Port Director, the ADDFA, and the staff for their hard work in moving the various projects along.

### The Audited Financial Statements for 2023

- c) The ADDFA reviewed the report with members and completed it. A discussion ensued. It was discussed that clarification of items on the report is needed. The Deputy Chairman requested that the Auditor General's office be invited to the upcoming Board meeting. **Mr. A. Bodden moved the motion to send an invite to the Auditor's General's office. Mr. M. Adam seconded the motion. All Members agreed.**

### ISA 260 Report/ISA 265

- d) The ADDFA discussed the reports with the Members. He pointed out the areas that required adjustments. A discussion ensued.
- e) The Chairman requested that the ADDFA is to get clarification for the Auditor's General Office on section 47.7. The C.O. will wait for confirmation from the Port Director when to move forward on the submission of the report to (Caucus). **All Members agreed that it was in the Port's best interest to have representatives from the Auditor's General Office at an upcoming meeting to discuss further.**

### Update on Recruitment Process

- f) The Port Director gave an update on the vacant positions at Port. He pointed out several positions, including the Deputy Director of Operations position, which will be advertised on June 4<sup>th</sup>, 2024, and the Safety Officer position. The Port Director gave an update on the Security Manager, PFSO Officer and Cruise Manager position. The Port Director advised the Members that the Port has taken on several interns and supported a young Caymanian studying Shipping and Port Management. The Port Director explained that the Human Resources team was still conducting interviews in the coming weeks.
- g) The Port Director advised the Members that the Port is reviewing the career development policy process, but employees are still privately encouraged to seek additional certifications, and the Port would support them. The Port Director explained that as the Port grows, he may revisit the organizational chart to split the Deputy positions into Operations, Administration, and Finance. He explained that he would review the chart with the HR manager and the members in an upcoming meeting.



## Snappers

- h) The ADDFA met with Snappers' owner and proposed the lease agreement. A discussion ensued. **The Deputy Chairman advised the Port Director to speak to the Port's legal team regarding the procurement process** and to give an update in an upcoming meeting before the members finalize any decision.

## ANY OTHER BUSINESS

## Fuel Contract

- a) The Port Director advised the Members that the Rubis contract agreement is completed, and the Port legal team is reviewing the agreement. The Port Director will give an update in an upcoming meeting.

## Fuel Truck

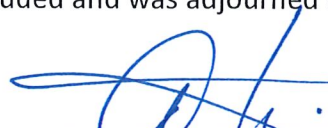
- b) The Port Director pointed out to the Members that the Port fuel trucks are over twenty (20) years old and are constantly being repaired by the Fleet team. He advised that he had instructed the fleet manager to look into the fuel vehicles for the port.

## CPR/First Aid Training Update

- c) The Port Director advised that the Port Staff have attended and 50% of the staff have completed CPR/first aid. The Chairman thanked the Port Director and staff for completing the project and spoke of the benefits of having all staff complete the training.

There being no further business, the meeting concluded and was adjourned at 6:00pm.

  
Mr. Cline Glidden – Chairman

  
Ms. Joanna Shaw -Board Secretary

Date: July 25<sup>th</sup>, 2024

Date: July 25, 2024

