

CAYMAN ISLANDS AIRPORTS AUTHORITY (CIAA) BOARD MEETING MINUTES HELD AT OWEN ROBERTS INTERNATIONAL AIRPORT, CIAA CONFERENCE ROOM, ON 28th MAY 2015

BOARD MEMBERS

Present were:

Chairman: Mr. Kirkland Nixon
Deputy Chairman: Mr. Thom Guyton
Director: Ms. Vanessa Banks
Director: Mr. John Meghoo
Director: Mr. Joel Jefferson
Director: Mr. Nathaniel Tibbetts
Director: Mr. Stran Bodden

Apologies

Director Mr. Bruce Smith

Others Present

CEO Mr. Albert Anderson
Secretary Ms. Nadine Ramsay

Presenters

CFO: Ms. Sheila Thomas

1. WELCOME & APOLOGIES

- 1.1. A quorum being present, the Chairman, Mr. Kirkland Nixon, called the meeting to order at 12:30pm.
- 1.2. The Chairman extended a warm welcome to the Directors and formally thanked Kirk Supermarket for generously providing catering for the meeting.

2. CONFIRMATION OF MINUTES

The minutes of meeting of 23rd April 2015 were approved.

2.1. MATTERS ARISING FROM MINUTES

- a) **OTAR 178 effective April 1, 2015, CEO's attendance at the National Security Meetings** - The CEO confirmed that he attended the last National Security Meeting and will be in attendance going forward.



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- c) **Risk Management Process** – The Chief of Safety is now tasked with managing an Enterprise Risk Register and has been given a target date. Work on this register will begin soon.

2.2. BOARD DISCUSSIONS

- a) **Risk Management** - The Board Members had a general discussion regarding Risk Management; they agreed that this was an area that needed serious consideration. This would be a future discussion for the Board.
- b) **Strategic Plan** – The Chairman advised that the Board should identify ways to keep targets so that the Board will know if they are on track. They recommended that the CEO structure his report around the company's Strategic Objectives



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The following actions arose:-

Matter/Actions	Actioned By	Due Date
Structure CEO's Monthly report around the company's Strategic Objectives	CEO	ASAP

3. CEO OPERATIONAL UPDATE

The CEO went through his presentation and discussed with the Board some key issues. Discussions were centered around the following:-

- a) Continued focus on CAPs. 128 CAPs were submitted and 28 were accepted by the CAA. Targeted completion date is November 2015 to complete the outstanding ones, however the CEO explained that some CAPs would be difficult to address with CAA.
- b) More Staff were being trained on how to perform Runway Friction Measurement.
- c) General Aviation Ramp Liability issues with respect to parking during peak traffic periods. The Air Traffic Controllers were responsible for the commercial ramp and Island Air manages the GA ramp. CAA are happy with this.

■ CIAA will now embark on making AIS provide ATC assistance and become the entry level for new Air Traffic Controllers. – The Board enquired about a contingency plan for the ATC Team. The CIAA would be at risk in the event of loss of service. The CEO advised that the Chief Airport Operations Officer is currently looking at formulating a contingency plan in partnership with ■

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- [REDACTED]
- f) Maintenance Department – the Board was reminded that the Maintenance department was now under Operations.
- g) Precision Approach Path Indicators (PAPI) – were recently refurbished resulting in a \$100k savings. The Board was pleased with this initiative and reasoned that similar savings could be found within the budgeted capital spend.
- h) Meeting with Chief Officer of Home Affairs – the CEO provided the Board with an update of his meeting with the Chief Officer regarding the Fire Coverage and Agreement between Fire & CIAA.
- i) CIAA Re-certification – list of required actions were discussed, the Board were advised that there is none existing that should result in Airport closure.
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NOTE - Board Member Jefferson indicated that he had to leave and was excused by the Chairman.

- j) CIAA Organisational Structure – CKIA/ORIA reporting structures were questioned by the CAA. In response to question regarding the CKIA reporting structure, the CEO clarified that ATC and Security team reports to the Airport Manager for CKIA with a dotted line to the ORIA team. CKIA's Airport Manager has full operational control.

Board Members stated that CAA had an input in CIAA's recently revised Org Chart although they were stating otherwise. However, it was noted that the CAA's audit should be against the Safety Regulations and not staff management matters.

- k) Concession Spaces – Consultants are working with RS&H's design team and CIAA to plan the concession spaces. They will ensure that the "dirty" side of the food business is addressed in the new redeveloped spaces. The Board was reminded that the Concessions Consultant's proposal will be presented to them for approval.
- l) Airport Advertising – It was advised that the [REDACTED] contract renewal was due in May 2016. At this point, there could be more opportunities for increased revenues.
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- m) Security Shifts/Overtime Issue. The Labour Tribunal declined the recent security officers' applications to work 12-hour shifts. The 8 hours shift would be effective June 1, 2015.
- [REDACTED]
- S.15

[REDACTED]

5.15

- o) The New CHRO, Mr Mario Ebanks will start July 1, 2015. The CHRO will strengthen the CIAA management team and further enhance CIAA's public image.
- p) Job Description's (JD's) evaluation. With the upcoming evaluations 'push back' was anticipated from the Security Team in relation to the existing JD's. The Board discussed the performance and their general concerns regarding the Security team. The CEO agreed to take on-board the Board's recommendation to implement 'drills' and 'dummy exercises' to test the readiness of the team. He also confirmed that concerning the overall security costs, he has also taken on-board the previous CHRO's recommendation to use external security contractors for the graveyard shifts. This would also free up the existing Security team and perhaps reduce the need to hire additional full time resource(s)
- q) Staff Meetings held on May 25-26.15 was well attended. Staffs were updated on the current process of the terminal redevelopment along with the Senior Management Team's 5-year plans and how this tied in to the CIAA's Strategic Objectives.

The Board discussed the Salary issue and the Chief Officer pointed out there was a difference between Cost of Living Adjustments (COLA) and salary review. The latter should be reviewed over a fixed period, for example every 3 years and should be written into policy.

- r) RFP's – The Boards advised that they saw a potential issue with having the RFP Janitorial across CKIA/ORIA, they however agreed to wait to see the type of responses received. With respect to the Elevator Maintenance RFP that is currently in progress, they were advised that there is a current contract in place with a local vendor, which interferes with the process. CIAA will now have to go back to current RFP respondents to explain this issue.

NOTE -Board Member Meghoo indicated that he had to leave and was excused by the Chairman.

- s) Airport Redevelopment
 - i. While the current design reflects the Tour Operators preferences the Board asked the CEO to ensure that, the Minister of DAT&T and the Councillor were ok overall with the design.
 - ii. The Board queried if there was room in the plan for Police & Detention Room and expressed their concerned as to where and how this would be accommodated.
 - iii. It was noted that the [REDACTED] This 'service' has to be accommodated in the designed traffic flow. The Board indicated that they were strongly against this, as it should not happen. The Airport should provide space only for airport operations, not external operations.

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- iv. Departure Hall Seating – Instead of institutional style seating, seats can be arranged in specific areas. The CIAA should work with the Department of Tourism to ensure that the look and feel of the airport incorporates indigenous plants, symbols and the overall Cayman feel. All of the aforementioned should harmonise with the DOT's strategic plan. Members of the Artistic community such as the Visual Arts Society and the Garden Clubs should be brought on Board for their input.
- v. There should be a clear plan outlining the Airport Advertising Spaces in the new terminal to ensure that advertising is done in a 'tasteful' manner. The CEO reminded the Board that the Concessions Consultants would be considering this.

The Chairman reminded the members that the Board should own the redevelopment process and fully participate. The meeting scheduled for June 4th from 2-5pm would be extended by 2 hours (to start at 12noon) as this would allow ample time to ensure that the Board is able to fully review Package 2 Design Development presentations by RS&H. The Chairman asked the CEO to work with the Department of Planning to speed up the process for planning approval of the Airport redevelopment project.

NOTE -The CFO joined the meeting and is welcomed by the Chairman.

[REDACTED]

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The Board also felt that having the Government, as a partner regarding this issue could be beneficial for the CIAA. At this stage, there should be a discussion with "Chief of Petroleum" and the Ministry of PLAH&I. The Board reiterated its concern and stated that there was a need to 'consult' widely to ensure all aspects are fully considered [REDACTED]

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NOTE – Board Members Meghoo and Jefferson re-joined the meeting.

- u) After reviewing the proposed site for the fuel farm. Concerns were raised about the commercial zoning laws for the area and whether other tenants would object to the fuel farm. Would the CIAA's have an advantage having the fuel farm on its own property? The Chairman advised that this issue needed to be handled carefully and should be addressed with the responsible Ministry before any further discussion with [REDACTED]. The Board also queried if the pricing of aviation fuel was in the Governments' constitutional remit and if, not how would this issue be addressed.

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The CEO Advised that legal opinion says that the Deputy Chairman should not be included in the Island Air discussion as he was the original signature on the lease. The Deputy Chairman says he was happy to comply/oblige. This discussion was moved to Any Other Business after the CFO's presentation and other unrelated discussions were concluded.

The following actions arose:-

Matter/Actions	Actioned By	Due Date
Work with the Department of Planning to speed up the process for planning approval	CEO	ASAP

4. FINANCIAL REPORT

The CFO presented her report of the April YTD management accounts to the Board. Highlights of the presentation were:-

- a. Overall Performance and Volumes continues to be positive. The Chief Officer advised that he was pleased with the numbers.
- b. 12% Increase year on year in Aircraft movements with YTD expenses 2% below 2014
- c. Overtime has dropped from \$20k highs to \$11k and is being mitigated with alternate staff/contractors.
- d. Contracted services were 4% above prior year and 4% above budget
- e. Repairs and Maintenance Costs – The Board was advised that the Maintenance Officer hired has AC background and discussions are in progress to use him for more for routine maintenance e.g. changing filters etc. The Chairman queried if there was an AC maintenance Contract, to which the answer was “yes”.

The CFO apologised to the Board for not having the Account Receivables figures due to losing the Accounts Receivables resource. The Chairman accepted this.

- f. Approved Capital Spending Plan for 2014 -2015 – Approximately\$1.7m has been spent out of the \$6m capital budget. There is now a ‘rush’ to get some projects done before the end of the budget/financial year.
- g. The CFO explained that she had an auditor who was ‘camped’ out in her office, which caused the Board to question this practice. The Chief Officer advised that this was the Auditors’ standard practice with the CFO explaining further that the CIAA had issues with document retrieval.
- h. Audit Adjustments – There were significant adjustment arising from the audit. These related to fair value adjustment and the previous airport redevelopment attempts costs for 2013/2014. Credit card receipts for 2013 (i.e. payments received by CIAA) were never booked. While this has a positive effect on CIAA books the Auditor will flag this as a weakness. 5.21

The following actions arose:-

Matter/Actions	Actioned By	Due Date
Discuss with Auditor General the current issues relating to pending Audits	CEO	ASAP

The Chairman thanked Ms. Thomas on behalf of the Board for her presentation after which she exited the meeting.

5. NEW BUSINESS

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[REDACTED]

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5.3. CEO's Review – The date and time for the CEO's review it to be confirmed. The CEO's objectives should be based on the strategic plan and measured against the budget performance. Using his performance objectives as an example, the Chief Officer explained to the Board how to accomplish this. He was asked to do one for the CEO and submit for discussion at the next Board Meeting.

The Board advised that the minutes should reflect that overall the CEO has done a good job. Highlights of his performance to date is addressing the 'toxic' HR, Accounting and Finance issues, completing the Strategic Plan and Board Policy Manual.

NOTE - Deputy Chairman recused himself prior to the start of the Island Air discussion.

5.4. [REDACTED]

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5.5. Un-paid Board Compensation- Discussion on unpaid board payments that were incurred before CEO's arrival at CIAA. The CEO will check with the Deloitte team for meeting dates and records. The Board Secretary will use the email sent by Ms Banks as a guide.

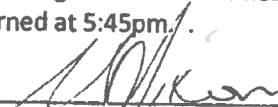
The following actions arose:-

Matter/Actions	Actioned By	Due Date
	CEO	ASAP
Do a RFF for Law firm for the next budget year	CEO	July 2015
Circulate CEO review forms to the Board	Board Secretary	June 2015
Set draft performance objectives for the CEO (CEO to follow up with Chief Officer)	CEO	June 2015


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6. ADJOURNMENT

There being no further business, the Chairman thanked everyone for their participation; the meeting was adjourned at 5:45pm.



Mr. Kirkland Nixon, Chairman CIAA Board



Ms. Nadine Ramsay (Secretary)