

**MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF CAYMAN ISLANDS AIRPORTS AUTHORITY
("CIAA") HELD AT BEACON HOUSE CONFERENCE ROOM, ON 27th August 2015**

BOARD MEMBERS

Present were:

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

Apologies

Director: Mr. Bruce Smith

Others Present

CEO Mr. Albert Anderson
Secretary Ms. Nadine Ramsay

Presenters

CFO: Ms. Sheila Thomas
Project Manager Ms. Denise Stabler

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. Apologies were noted for Mr Smith.

2. REVIEW & CONFIRMATION OF MINUTES

The minutes of meeting of 27th July 2015 were approved.


2.1. MATTERS ARISING FROM MINUTES

[REDACTED]

S.21
S.21(aii)

The Project Manager joined the meeting and was welcomed by the Chairman

3. TERMINAL REDEVELOPMENT UPDATE

- a) The schedule of deliverables for this project has not changed contrary to media reports that the project was delayed by two weeks. All deliverables were met and the Contract for the Phase 1 Enabling Package is due to be signed during the first week of September 2015 pending the CTC's final sign off. The Ground Breaking ceremony was tentatively set for September 10 or 11, 2015 and CIAA and Ministry of DAT&T will discuss the details of the ceremony.
- b) The tender assessment for phase 1 was completed and a recommendation made to CTC. It was also discussed that the east parking lot, canopies, and early implementation of the emergency power introduced costs that were outside of budget and some substitutions would have to be made to cover these items, which were essential. Paving of the long-term parking lot can be done later and the money used towards the east parking lot. It was advised that a maximum budget of \$2M should be set for the canopies and the Project Manager should find out what could be done for this sum.
- c) After reviewing, the canopies design options the Board agreed that they favoured the Birdair design. RS&H should now come up with suitable options, which covers taxis and buses.
- d) Implementing the stand-by generator earlier in the project to run the existing building would increase the cost by \$80K. In response to a question about the energy cost per square foot, the Project Manager confirmed that the overall aim is to be 30% better than the standard. The Project manager was asked to come up with a current cost per square foot and the estimated cost per square foot in the new building for comparison.
- e)  The CTC advised that this project should be put out for local bids to see the number and quality of responses and based on the responses the CIAA may have to then go overseas. If the CIAA goes overseas, there will be objections however as this is a \$40m+ project the CIAA needs to be quite clear in its advertisements. S.21(ii)

Ms Stabler was thanked for her presentation and leaves the meeting

The CFO joined the meeting and was welcomed by the Chairman.

4. FINANCIAL REPORT

The CFO presented her report of the July 2015 YTD management accounts to the Board, which is attached as Appendix A. Highlights of the presentation were:-

- a. There was a 5% increase in cost per passenger for July 2015 vs the same period for 2014.
- b. Staff cost includes an extra \$40k to pay down pension liability.
- c. Parking system expected to be operational in December 2015 and there should be an increase in parking revenue.
- d. Balance Sheet biggest drive is cash reserves as the cash for the terminal redevelopment project was being accumulated.
- e. CIAA was awaiting the final report from the EU Technical Team regarding the Radar Project.

- f. Non-Aeronautical Revenues for July 2015 were down by 1.99% vs July 2014. In continuing with its efforts to audit the fuel operations recording/billing process, the Airlines have confirmed that they have no issue providing CIAA with a copy of the fuel receipt. With the electronic meters on the Rubis trucks, the count can only be done while fueling is in progress.
- g. 2012/13 Audit financials to be signed however the CFO reminded the Board that the Auditor General's Office needed to know the Board's position on [REDACTED] debt and how it will be handled

Based on the financials presented the Board discussed the following:-

- h. Attention should be paid to service contacts. The CEO confirmed that there were a lot that were open-ended, and these would be prioritized and resolved.
- i. [REDACTED] – the Board will not sign off and may not in fact have a basis to write off based on the laws that CIAA operates. [REDACTED]

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

Mr. Joel Jefferson indicated that he had to leave and was excused by the Chairman.

The Board and Chief Officer commented on the professionalism of the Project Manager Ms. Denise Stabler.

5. CEO's OPERATIONAL UPDATE

The CEO presented his operational update which is attached as Appendix B. Highlights of the presentation are below:-

- a. Compliments were received on the recently installed Airport Development signs and TV Screens
- b. Air Curtains are being looked at as a solution for departure hall that gets hot during boarding times.
- c. CIAA Rectification
 - i. CKIA Aerodrome Manual given a provisional approval from CAA. With respect to the organizational chart it would appear that [REDACTED] is not considered an expert in Airport Organization Charts. The CAA continues to have an issue with technical reporting structure and thinks that the Brac Team should report directly to the team in ORIA.
 - ii. Ways to fill the Ponds are being investigated by the CEO.
 - iii. RESA – Response from the airlines have been a bit slow. [REDACTED] The CEO will highlight to the CAA that there are provisions in the Master Plan to address the Resa issue.
 - iv. Fire Services – It is not clear what the CAA's position on Fire Services is, which seem to have changed. Their audit finding is that the CIAA & Fire Services do not have any agreement. The Board indicated that this need to be addressed at the Cabinet Level and perhaps the Cabinet Secretary and the CEO should meet as the Ownership agreement between the Fires Services and Cabinet should be a starting source document.

The Chairman advised that he did not agree with dropping/lowering the fire category as it's a safety issue.

- d. Janitorial Tender Evaluation – of the tenders received only one was compliant. The CIAA is currently in discussion with CTC to see if this should be put back to tender.
- e. Post-Retirement Medical Benefits - A response was received from Attorney General, however the AG has received some additional information which may impact his opinion. Who should cover the cost has to be determined and once the final opinion is given the Board will review.

6. NEW BUSINESS

Both the Impairment Loss of \$5.5M re 2006-2009 terminal expansion project and the updated Board Resolution authorizing CEO to execute and sign lease of real property on behalf of CIAA was discussed and signed off by the Board.

7. 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)