

**MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF CAYMAN ISLANDS AIRPORTS AUTHORITY
("CIAA") HELD AT ORIA CONFERENCE ROOM, ON 22ND October 2015**

BOARD MEMBERS

Present were:

Chairman: Mr. Kirkland Nixon
Director: Ms. Vanessa Banks
Director: Mr. John Meghoo
Director: Mr. Nathaniel Tibbetts
Director: Mr. Joel Jefferson

Apologies

Deputy Chairman: Mr. Thom Guyton
Director: Mr. Stran Bodden
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. Apologies were noted for Mr Guyton, Mr. Bodden and Mr. Smith

2. REVIEW & CONFIRMATION OF MINUTES

The minutes of meeting of 24th September 2015 were approved.

2.1. MATTERS ARISING FROM MINUTES

- a) **Phase 2 Prequalification Tenders.** Details of the Tender was explained to the Board by the CEO who confirmed that eight tender package were collected to date.
- b) **Unqualified Audit** –Board advised that a timetable should be set for CIAA to get an unqualified Audit and the CEO advised that the CFO have a target to complete it this year.



- d) **Island Air** –There has been no progress on this matter. The CIAA is waiting on a response from Island Air.

s.2(a)(ii)

3. CEO's OPERATIONAL UPDATE

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

- i. **Employee Engagement-** The second round of staff meetings were held on October 12-13, 2015 and were well received by Staff based on the feedback they provided. The Chairman commended the CEO on his efforts to engage the staff saying that he was pleased that "CIAA had turned a corner."

[REDACTED]

S.21(a)(ii)

- iii. **Parking System** – The enabling works for the new parking system has commenced and the Project Manager will be visiting the vendor in Florida for technical and operational system acceptance.
- iv. **CIAA Mascot** –The Board indicated its support of the Parrot being selected as the CIAA Mascot. Naming of the Mascot was being done via a competition which was another demonstration of staff engagement at CIAA.

[REDACTED]

S.21(a)(ii)

- vi. **CAA Recertification**
 - a. Conditional approval was received for the CKIA Aerodrome Manual
 - b. Fire Services Agreement is awaiting signoff by the Fire Services Chief.
 - c. RESA 08 – The approximate cost to add the 400ft is \$3m.

Given the issue with funding required to address all the CAP's for recertification and the demand of the current airport redevelopment project. The CIAA needs to go back to the drawing board and start with renewing the discussions on CAL's debt owed to the CIAA, the RESA issue, Little Cayman's Airports, the upcoming runway re-strengthening and apron expansion projects. All of these factors, including others should be included in CIAA's case which should be discussed with the Governor and the Ministry. It's of no use building a \$55m airport that cannot be certified.

The CIAA could borrow or qualify for a 'X' million dollar loan that would solve the airport's financial problems, however, this is not an option due to the Government's borrowing constraints. The overall plan will be to put together some options for CIAA's case and convene a BAC meeting to steer this plan. It was noted that the Honorable Ministers Archer and Kirkconnell should be in the meeting to discuss CAL's debt.

- vii. **Perimeter Road** – While the CIAA does have most of the fill required for construction of the perimeter road, the CEO advised that this will have to be supplemented. The RFP for this is now being done and should address this issue.

- viii. CNS certification - Expert is of the opinion that none of the CNS issues should prevent recertification and he is willing to work with CIAA to address these issues.
- ix. PONDS – The NRA cannot handle the draining and filling of the ponds. CIAA is preparing a RFP for the development of specifications and estimates for filling the ponds and design of airside drainage.
- x. Headcount – Board asked if exit interview were conducted and indicated that they would be interested to learn the reasons behind the staff resignations.

The Chairman gave the floor to Mr. Jefferson who chairs the BAC. He provided the following update:-

The Committee was concerned with aging profiles and found out there were issues with payments being incorrectly applied. The current issue with the Parking System continues to be of concern and they needed to see a proper plan and perhaps a policy on how the parking cards will be issued for the new parking system. The Committee wants to ensure that all cash handling processes were in compliance with the audit procedures.

The option to charge finance fee on ageing receivables was discussed and will be implemented. The Market should indicate the percentage charged. Vendors should be advised that this will come into effect on Jan 1, 2016.

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

4. FINANCIAL REPORT

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

- i. Performance & Results Summary – Revenue was 6% ahead month on month, 1% ahead year on year and 8% below year to date budget while expenses were 5% better than previous year and 15% below budget.
- ii. Key Performance Indicators and 1st Quarter Operating Performance for 2015-16 shows that CIAA's financial performance was on target and within budget.
- iii. The new budget year implemented by Government will run from Jan to December in line with the calendar year and the changes to the PFML will allow an 18 month transition budget.
- iv. **Strategic Policy Statement (SPS) Budget Assumption:-**

a.

[REDACTED]

- c. There is a potential impact from adjustments to RESA as required by the regulator. The CEO clarified that this is about loss of revenue. Any impact on the airlines revenues negatively affects CIAA revenues as well.
- d. All capital spend for this year will be reprioritized with a view to pushing out some of the project timelines.

[REDACTED] Increased utilities cost in the New Terminal Building. As the construction progresses and the terminal building space opens up the Business Case anticipates a 2% increase in utilities which should cover this cost. [REDACTED]

S.21
S.21(aii)
S.21(aii)

- v. The Passenger movements for 2016-2017 vs 2017-2018 figures shows no increase. The Board voiced their concern about this. The CEO advised that he would look at ways to increase passenger numbers.
- vi.
- vii. The bulk of the Capital Spend cost is for the runway strengthening and apron expansion
- viii. Cash Handling Procedures – Collection of Security and Safety fees will be moved to the front desk to reduce the number of collection points. The CFO re-assured the Board that the overall cash element is low in terms of risk.

S.21(a)(ii)

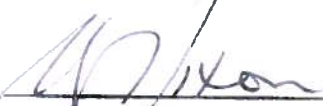
The Chairman thanked Ms. Thomas on behalf of the Board for her presentation after which she exited the meeting.

5. NEW BUSINESS

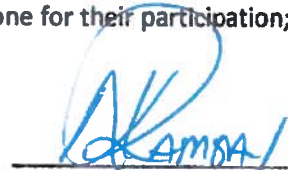
There was no new business to discuss.

6. ADJOURNMENT

There being no further business, the Chairman thanked everyone for their participation; the meeting was adjourned at 5:30pm.



Mr. Kirkland Nixon, Chairman CAAA Board



Ms. Nadine Ramsay (Secretary)