



CAYMAN ISLANDS AIRPORTS AUTHORITY BOARD MEETING MINUTES HELD AT OWEN ROBERTS INTERNATIONAL AIRPORT, CIAA CONFERENCE ROOM, ON 18th DAY OF DECEMBER, 2014

BOARD MEMBERS

The following Board Members were present

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

The following Board Members were absent with apologies

Director: Mr. Bruce Smith
Director: Mr. Nathaniel Tibbetts
Director: Mr. Stran Bodden

Others Present

CEO: Mr. Albert Anderson
Snr. Project Manager: Ms. Denise Stabler (Presenter)
CFO: Ms. Sheila Thomas (Presenter)
Secretary: Ms. Nadine Ramsay

1. WELCOME & APOLOGIES

- 1.1. A quorum being present, the meeting was called to order at 12:45pm by the Chairman, Kirkland Nixon.
- 1.2. The Chairman extended a warm welcome to the Directors.
- 1.3. The Chairman moved to welcome Nadine Ramsay and appoint her as Secretary. Ms Ramsay recently joined the CIAA as Office Manager and will serve as the Board's Secretary. This was unanimously approved.

2. CONFIRMATION OF MINUTES

The minutes of the meeting of 27th November 2014 were approved.

2.1. MATTERS ARISING FROM MINUTES (NB Matters Arising were delayed until after Agenda Item 3 was completed)

Matter/Actions	Actioned By	Due Date
2.1.1. RFP for construction of Airport Development project – It was pointed out that there could be a possible conflict in the selection of the construction contractor as the architectural consultants who won the bid will be using AMR for their engineering.	CEO	Completed

S.23

<i>(see more details 3.1)</i>			S.23 & S.17
2.1.2. Internal Authorisation Levels – CEO and CFO have submitted a proposal to the Audit Committee for review and feedback.	Audit Committee	31 Jan 2015	
2.1.3. Internal Audit Report – CEO to provide the Board with an action plan to address the issues raised in the Internal Audit report and recommend a temporary resource plan if such be required. This was completed and an interim status report is due to be submitted to Internal Audit on 19th December 2014.	CEO	Completed	
2.1.4.	CEO	31 st Jan. 2015	S.21
2.1.5.	CEO	31 st Jan. 2015	S.21
<p>2.1.6. Commercial Concession Leases</p> <p>a. CEO has contacted all concessionaires and offered them a one-year lease renewal while the renovations are going on. He has also advised concessionaires of the proposed concession model going forward based on a percentage of revenue with a minimum annual guarantee. This was done in writing followed by a face-to-face meeting where concessionaires had the opportunity to ask questions. There was also a press release in the local media regarding this. <i>The Chairman and Deputy Chairman declared their interest in this issue and the Chairman asked Board Member Joel Jefferson to take the lead on any Board discussions to do with this.</i></p> <p>b.</p>	CEO	28 th Feb. 2015	S.21
2.1.7. Taxi Dispatch - CEO to review dispatch process for taxis and tour buses and simplify it as much as possible for revenue assurance purposes. Proposal to create/implement a Taxi Depot on the vacant	CEO	31 st Jan. 2015	

	S.21	
2.1.8. Unscheduled Operations – CEO to seek to recover all costs associated with unscheduled flight operations from the airlines. CIAA now billing for this.	CEO	Completed
2.1.9. Fuel Operators - CEO updated the Board as follows: a. b. c. d.		
2.1.10. Fleet Maintenance - CEO to issue a RFP for fleet maintenance. This is currently in the works but delayed by airport development RFP. Target date of January 2015 to receive proposals for review and evaluation by February 2015 in time for next budget year. Prices received will be assessed against what we spend to ensure that it is feasible.	CEO	28 th Feb 2015
2.1.11. Satellite Phones – CEO confirmed that no satellite phones are available in case of emergency. Estimated cost to acquire satellite phones is \$1000 per phone. Airtime cost will be \$70 per phone. Other quotes being sought.	CEO	31 Jan 2015
2.1.12. Performance Management – Training for Board members now being planned for January Board meeting.	CEO	31 st Jan. 2015
2.1.13. TYMCO Sweeper Truck – CEO advised the board that the truck has arrived on island but had sustained some damage in transit, which will be fixed by TYMCO and covered by insurance. This has now been repaired and staff trained. Will be put into service in January when the contract with Reliable ends.	CEO	Completed
2.1.14. Cayman Brac Works – Now moving ahead and expected to be completed by 30th November, with departure lounge seating installed in December. Works complete. Defects being addressed. Seating to be installed in January.	CEO	31 st Jan. 2015
2.1.15. Finance - CFO advised that CIG Internal Audit department had advised her that they did not have the resources currently to review the structure of the Finance Department and qualifications for staff. CEO agreed to outsource to the Private Sector.	CEO	
2.1.16. a. b.		

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<p>2.1.17. There was some discussion on the arrangements for establishing the FBO concession and perhaps getting that under-way from now. The CEO was asked to research how a PPP for the FBO operations could work given Government's guidance that no project under CI\$10M could be subject to PPP. CEO expects this advice to be given by concession consultant.</p>	CEO	28 th Feb. 2015
<p>2.1.18. Pension liability was increased by approximately \$2M, apparently due to a revised methodology used by new actuaries. The Board instructed the CEO to look into engaging actuaries directly rather than through PSPB. There were some concern regarding the results using the revised methodology which were discussed with PSPB. The Board feels that it's best to pay and agreed with the CFO's position that this payment cannot be accommodated now due to the terminal expansion. The Board instructed the CEO to put a payment plan in place.</p> <p>The Board also explained that staff needed need to understand the benefits offered especially in relation to the pension and health benefits. The CEO should ensure that the details of these should be explained to all employees.</p>	CEO	31 st Mar. 2015
<p>2.1.19. The last OAG audit was for 2011/12. CEO was asked to look into the cost of seeking external audits versus OAG in order to catch up and get audits up to date. CEO advised that the OAG Audit for 2013 had now commenced and there was no longer a need to seek an external audit.</p>		Completed
<p>2.1.20.</p>		

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3. TERMINAL REDEVELOPMENT UPDATE

Denise Stabler report was presented in PowerPoint format (see attached Appendix A). She specifically covered Key Issues, Key Facts, Progress Update, and Schedule of design and construction phases and provided a visual image of the Preliminary Schemes A, B & C.

3.1. RFP FOR CONSTRUCTION OF AIRPORT DEVELOPMENT PROJECT

Ms Stabler provided further update regarding the Potential Conflict of Interest relating to AMR consulting and Arch & Godfrey.

5.17

The Central Tenders Committee (CTC) accepted

- a.
- b.

The Board also raised these additional points

- c. Set up a Building Oversight Committee for the Airport Development Project which should be held monthly and minuted. This Committee should be a sub-committee of the Board and report to the CIAA Board. Members of this sub-committee will be selected by the 1st week of January 2015.
- d. Out of courtesy the design plan should be presented to the CAA.
- e. Insist that the plan approved by Cabinet should be adhered to.
- f. Process should be open and transparent to the Public and any change should be documented and formally approved.
- g. Duty Concession – Construction bids will include cost without duty. Clear process needed to define how this will be handled. The concern is that there should be no encouragement for bidders to ship in everything as duty free. There should be greater value/merit on sourcing and buying locally.
- h. Ensure that this Airport Development Project provides jobs for Caymanians. Extra credit for locally registered company should be a criteria (CEO confirmed that this was included in the RFP selection process for A&E consultants and will be similar for the construction RFP).

The following actions arose:-

Matter/Actions	Actioned By	Due Date
Board Resolution to be prepared authorising Albert Anderson, the Chief Executive Officer to sign the A&E consultancy contract.	Board Secretary	31 Dec 2014
Send revised \$55m plan which shows the \$15m injection to the Board Members.	CEO	31 Dec 2014
Ensure that members of the Building Oversight are selected and confirm meeting dates/times with all members.	Board Secretary	9 Jan 2015
Create a brief of the conflict and include steps for proactive management of the public perception of conflict.	CEO	31 Dec 2015
Present the design plan for the Airport Development Project to the CAA.	CEO	28 Feb 2015

Ms. Stabler was thanked by the Chairman for her presentation before exiting the meeting.

4. FINANCIAL REPORT

CFO Sheila Thomas presented the November YTD management accounts report to the Board. This is attached as Appendix B.

The following actions arose:-

Matter/Actions	Actioned By	Due Date
a.	CFO	29 Jan 2015
b. (see 2.1.4)	CEO/CFO	ongoing
c.	CFO	
d. Payroll pay-dates to be moved from mid-month to end of month – Board approved proposal	CFO	31 Mar. 2015

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S.23
S.21

The CFO was thanked by the Chairman for her presentation before exiting the meeting

5. CEO REPORT

The CEO presented his report on the Temporary Structure update (attached as Appendix C). As part of this presentation, the following was discussed and updated:-

Matter/Actions	Actioned By	Due Date
Investigate if we own the container that contained the Temp Structure as it will be needed for future storage of the structure.	CEO	29 Jan 2015

6. BOARD POLICY MANUAL & STRATEGIC PLAN

The CEO is in the process of drafting the Board Policy and Procedures manual and also plans to develop an Orientation Manual for the Board Members.

7. BOARD POLICY MANUAL & STRATEGIC PLAN

The CEO is also working on the Strategic Plan. Progress on these have been hampered due to the CEO lacking secretarial support.

The following actions arose:-

Matter/Actions	Actioned By	Due Date
a. Develop Board Policy/Procedures and Orientation Manuals for the Board of Directors	CEO	31 Jan 2015
b. Develop and present CIAA Strategic Plan to the Board of Directors	CEO	31 Jan 2015

8. NEW BUSINESS

8.1. CEO advised that Shane Bothwell, Andrew McLaughlin and Bianca Moore Downey has been appointed as Chief Security Officer, Chief Safety Officer and Chief Commercial Officer respectively of the Cayman Islands Airports Authority. They were appointed after going through a rigorous selection process. The Chairman advised that a letter should be sent to the new

appointees to offer congratulations on behalf of Board Members.

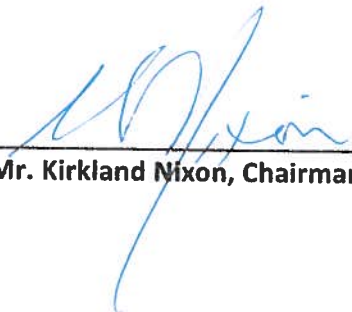
- 8.2. Runway Strengthening – British Airways having issues with aircraft breaking down weekly. Need to bring 777 by October 2015 so that they can retire the 767s. Awaiting a report from Consultant regarding the Runway Status. Based on the findings of this report a decision will be made on how to proceed.

The following actions arose:-

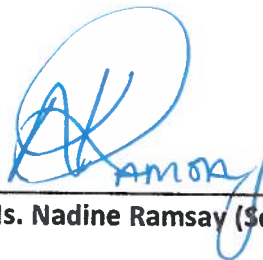
Matter/Actions	Actioned By	Due Date
a. Board Secretary to ensure that letter of congratulations is done and delivered to the new appointees.	Board Secretary	ASAP
b. Potential New Business Opportunity in the Brac - Private jet parking hanger facilities. CEO to investigate.	CEO	29 Jan 2015

9. ADJOURNMENT

There being no further business, the Chairman thanked everyone for their participation; the meeting was adjourned at 4:20pm.



Mr. Kirkland Nixon, Chairman CIAA Board



Ms. Nadine Ramsay (Secretary)