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SUPPORT. PROMOTE. PROTECT.

The Cayman Islands Chamber of Commerce was established in 1965 and is a non-profit organisation that exists to Support, Promote and Protect Cayman business and the wider community. We proudly represent nearly 700 businesses and associations from every major industry sector.

MINUTES OF THE 4th MEETING OF THE 2014 COUNCIL ON 9th APRIL 2014, CHAMBER OF COMMERCE CONFERENCE ROOM, GOVERNORS SQUARE, WEST BAY, GRAND CAYMAN, CAYMAN ISLANDS.

ATTENDING:

- Mr. Johann Moxam, President and Chairman
- Mrs. Natalie Urquhart, Secretary
- Mr. Wayne Cowan, Treasurer
- Mr. Paul Byles, 1st Year Councilor
- Mr. Steve McIntosh, 1st Year Councilor
- Mrs. Lucy Tibbetts, 1st Year Councilor
- Mr. Paul Pearson, 2nd Year, Councilor
- Mrs. Katie O'Neill, 2nd Year, Councilor
- Mr. Wil Pineau, CCE, Chief Executive Officer

1. Call to order and welcome

President Johann chaired the meeting, welcomed fellow Councilors and called proceedings to order at 3:05 p.m. He confirmed the required quorum of five Councilors as mandated by the Chamber's Memorandum and Articles of Association. CEO Wil Pineau, CCE, recorded the minutes.

2. Apologies

Mr. Chris Duggan, Immediate Past President
Mr. Barry Bodden, President-Elect
Mr. Colin Reid, Vice President
Mr. Roger Ponce, 2nd Year Councilor

3. Review/Approval of draft minutes from the 12th March 2014 Council meeting

The draft minutes were distributed to the Council prior to the meeting for review. A motion to accept the draft minutes without amendment was moved by Councilor Mr. Pearson, seconded by Mr. McIntosh and approved unanimously.

4. Action items arising from the Minutes

a. Council referrals for membership (five referrals for the year)

Mr. Bodden, Mr. Cowan, Mr. Byles, Mr. Pearson, Mr. McIntosh and Mrs. Tibbetts have agreed to contact prospective businesses on the prospect list and to identify other businesses who may wish to join the Chamber. Mrs. Tibbetts submitted an application from Bedside Manor. President Moxam urged all Councilors to continue to help with recruiting new members since this is an important strategy to increase revenue and the membership.



ACTION ITEM: CEO will update the referrals list and distribute to the Council to select the businesses that they will approach for membership.

b. Employees' Handbook for Chamber members

Past Councilor Alan Brady continues to work on developing the booklet. He has hired a professional copywriter to finalise the draft. Mr. Moxam informed the Council that he had spoken to Mr. Brady about the project and he confirmed that a draft would be ready for review by mid-May.

c. Public policy process for Chamber positions on issues

A revised draft based on some comments received from Council members was distributed and presented by the CEO for final review. A motion to accept the public policy process and to incorporate it into the Council's Operations procedure manual was moved by Mrs. Urquhart, seconded by Mr. Cowan and approved unanimously. The Council also approved drafting a press release to be distributed to the Chamber membership informing them of the new process that has been adopted.

ACTION ITEM: CEO is to incorporate the new procedure into the Council Operations Manual and will draft a press release informing the membership of the new process.

d. Minimum Wage survey/position update

The CEO distributed a copy of the preliminary results of the survey to the Council prior to the meeting and reviewed the results in a power point presentation. The Council agreed to extend the response period to allow feedback to be received from the membership, particularly the sectors with a low response. A message will be drafted from the President seeking greater participation. The Council also agreed that focus sessions should be organised with the membership to discuss the results of the survey and to seek more information about the impact of a minimum wage on their businesses. Councilor Paul agreed to work with the CEO to facilitate and organise the sessions.

ACTION ITEM: Prepare a message from the President extending the submission deadline for the survey and seeking greater participation from particular industry sectors (merchants, small businesses, hospitality and construction). Organise focus sessions to share the results of the survey and to seek direct feedback from specific industry sectors that will be directly impacted by the introduction of a minimum wage.

e. Sunday Trading position paper

The position paper was distributed to the membership for final review and approval. As of 7th April, 42 member businesses have responded to the survey with





92.9% (39 businesses) supporting the draft position paper. Mr. Byles agreed to draft a caucus paper for review by the Council.

ACTION ITEM: Councilor Mr. Byles will prepare a caucus paper for review by the Council by 16th April, utilising the standard template recommended by the Ministry of Commerce.

f. Advocacy Agenda Progress Report

The CEO distributed this draft report for review by the Council. The report lists the major advocacy matters that are currently being addressed by the Council and the progress that has been made on each issue. The Council approved the format and established deadlines for several of the agenda items. This report will be presented and updated at each Council meeting to confirm the progress that is being made on each of the listed items.

ACTION ITEM: Councilor Mr. McIntosh will prepare a caucus paper on the introduction of Daylight Savings Time for review by the Council by 17th April, utilizing standard template from the Ministry of Commerce.

5. CEO Report (8th March – 4th April 2014) (*to be attached the Minutes*)

The CEO report was distributed to the Council prior to the meeting. There were no matters arising from the report.

6. Presentation: Proposed Ironwood Development – Denise Gower, Fountainhead Business Development (4 p.m.)

President Moxam welcomed Denise Gower from Fountainhead to the meeting. She has been engaged by the Ironwood Development as the public relations and business development contact to promote the project. She thanked the Council for allowing her to provide information about the proposed project and to answer questions. She said the developer does not plan to submit a Planned Area Development (PAD) for the project. This is not a requirement and is an option provided by Planning to developers who want the ability to change their plans as they do and Ironwood has already been carefully planned and is not looking for change requests. The full development will encompass 600 acres including Arnold Palmer's first Caribbean golf course, a town centre, boutique shops, restaurants, entertainment facilities, sports complex and a luxury resort. There are 142 lots for sale for residences along the town centre. An equestrian centre and two nine-hole golf courses are planned for the future. The target audience for the development is young retirees who are seeking a second home/location as an alternative place to live. A buffer zone is being planned with a plant nursery





between the property and the botanical park. The East/West arterial road extension is an important part of the development. It was planned during the UDP government term after Hurricane Ivan. Meetings have been held between the developer and the National Roads Authority, the Planning Department and the National Trust and they have all agreed on the location of the road. A CIG press conference may be held as early as next week to announce the agreement by all parties. The project will take two years to complete including the road construction, town centre and the golf course which will be constructed simultaneously. The projected build-out for the development is 10 years. The developers have proposed to fund the construction of the road by allowing the recovery of the costs the normal duties that would be paid for the land sale transactions. This proposal is still being considered by the government. The developer is not requesting any duty concessions. The proposal is being confirmed that it meets the terms of the Framework for Fiscal Responsibility and as approved by the Foreign and Commonwealth Office. The estimated cost of the road construction is CI\$40 million. The developer plans to build a proper entrance to the Mastic Trail and is talking to the National Trust about placing a Caymanian style home at the entrance as a visitors centre. The developer has offered to use the discarded and stockpiled tyres at the George Town landfill and shred them to be used for fill for the golf course. She noted that a professor at the University of Wisconsin has found that shredded tyres used as fill absorbs harmful fertilizers and pesticides when used as a fill. She said the development with the golf course will be able to attract a sports tourism as well as snow birds seeking a nice vacation. President Moxam thanked her for presenting the information and looked forward to her more extensive presentation at the Chamber's BE INFORMED session for the membership on Wednesday, 30th April at 3 p.m. at the Chamber.

7. New Business

a. Development Agency discussion paper

Councilor Mr. McIntosh presented highlights a proposal to establish a development agency in the Cayman Islands that he had developed and circulated among private sector associations and government ministries in November 2010 but received only limited expressions of support at the time. He said most competing jurisdictions have dedicated business development agencies with permanent personnel whose only role is to court foreign businesses with the goal of attracting them to base some level of operations in their territory or to engage the services of a local service provider. He used the examples of Jersey Finance (www.jerseyfinance.je) and the Bermuda Business Development Agency (www.bermudabda.com). Both agencies have full time staff to promote the jurisdiction. Cayman is one of the only jurisdictions that he is aware of that does not have a development agency. The 20-page document proposes an annual expense budget of CI\$1.2 million with a goal of raising CI\$4 million from various sources in a phased manner over a three year period in





order to finance three years' operations before aiming to become self-financing by year 4. CI\$1 million would come from 5-10 founding members, matched by the government, representing a total CI\$2 million in seed capital. A further CI\$2 million would come from 100-200 member/shareholders investing CI\$10,000 - \$20,000 each. The agency would be structured in consultation with the founding members, industry associations and development agency consultants such as OCO Consulting (www.ococonsulting.com) The company would employ a managing director and a team of dedicated business development consultants (entitled "Associate Director") each with a professional background in a relevant industry to focus solely on developing that business line within the Cayman Islands. The MD would be paid a base salary of around US\$150,000 plus a bonus based on agency results. The Ads would be paid a market level base salary (an average around US\$125,000) plus a bonus based on individual results. Quarterly road show events would be held in target jurisdictions such as London, Hong Kong, Singapore, New York etc. which would aim to finance largely by private sector sponsorship rather than from the marketing budget. Ministers of Government would be invited to speak at the events as would prominent members of the business community in the host location. The ADs would actively assist target companies with feasibility studies, logistical planning and negotiations with Government, all of which could potentially generate direct revenue in the form of consulting fees. To ensure effective cooperation and compliance, protocols would be established for cooperation with each of the stakeholders in the private sector, Chamber and industry associations and government (Cayman Islands Monetary Authority and Department of Commerce and Investment). President Moxam asked about the benefits of establishing a new entity rather than operating the proposed structure under the Chamber of Commerce which includes many of the same stakeholders who would be approached for the seed funding. Councilor Mr. McIntosh said the proposal was shared with the Chamber and other associations back in 2010 and there was no interest at the time but that did not mean that the current Council and associations may not take a different view on the proposal today. He said there may be merit with the Chamber helping to coordinate involvement from all other industry associations. President Moxam noted that the proposed model seemed very similar to one developed by the Government – Cayman Islands Investment Council and another called the National Investment Council. It was also pointed out that there are different structures that have been established by Chambers of Commerce around the world that could be evaluated and considered (Economic Development Agencies, Investment Promotion Agencies etc.) After a general discussion, the Council supported the establishment of a subcommittee that would explore the various options for the most effective, practical and cost effective option and determine the level of involvement by the Chamber of Commerce.





ACTION ITEM: President Moxam will appoint a committee to evaluate and consider options and to determine if there is membership support for the creation of an inward investment and promotion agency.

b. Proposed member survey: Crime and its impact on business and quality of life

President Moxam said the increase in crime was impacting the business community, overall safety and quality of life in the community. He recommended the development of a membership survey to ascertain the impact to measure the impact and to report the findings to the Commissioner of Police and the Government. The Council was unclear whether the survey would produce any meaningful information other than confirming that crime is indeed increasing the cost of doing business and impacting operating procedures. It was pointed out that the Chamber has conducted two past Economic Crime surveys in the past. The last survey took place in 2011.

<http://web.caymanchamber.ky/cwt/external/wcpages/wcnews/newsarticledisplay.aspx?articleid=1239> The aim of the report was to provide a comprehensive assessment of the nature and the impact of economic crime on businesses in the Cayman Islands whilst reviewing the trends and developments since the previous report in 2006. Due to time constraints the Council decided to defer further discussion until the May meeting.

c. Discussion on developing a strategy for hiring of civil servants who are displaced due to public sector rationalization

President Moxam recommended that the Council begins discussions about developing a strategy that will involve the hiring of civil servants who may be displaced due to the public sector rationalization. It will be important for the Chamber to be seen to be encouraging the hiring of Caymanians who may be displaced due to the expected downsizing of government. Due to time constraints, further discussion on this issue was deferred until the May meeting.

d. Information Communications Technology Authority (ICTA) consultation document on local television content

The CEO distributed a press release from the ICTA on 8th April providing details about a consultation document on local television content. This follows the visit by Bob Taylor from Cayman 27 at the March Council meeting. The ICTA's Call for Inputs paper on The Future of Local Television

Broadcasting in the Cayman Islands.

There is an obligation on specific ICTA Licensees to provide a Local Television service where they also provide a subscription television service. It is now nearly ten years





since that Local Television obligation was first drafted and much has changed in the Cayman Islands since then. As set out in the ICTA paper, the Authority is considering whether that Local Television service obligation is still fit for purpose and has requested feedback by 7 May 2014. It is intended that the outcome of this process will be for the Authority to make recommendations, where appropriate, to the Government on possible amendments to current Licences and/or the introduction of Regulations dealing with the issues raised. Due to time constraints this matter was not discussed in depth. Consultations with the membership will be conducted before a submission is developed.

ACTION ITEM: Arrange consultations with members impacted by the ICTA paper and seek views from the wider membership.

e. Proposed Chamber Strategic Planning session 6-7th June

The CEO informed the Council that he is in the process of planning the next strategic planning session to take place in early June. He has been able to arrange for Anne Knowles, Senior Specialist, Employers' Activities for the International Labour Organisation and a former Chief Executive for the New Zealand Employers Federation to lead the strategic planning process. During her visit, she will also assist with discussions on the subject of minimum wage. The ILO is covering the travel and accommodation cost for the visit.

8. Any other business

There were no other business items presented at the meeting.

9. Next meeting: Wednesday, 14th May 2014, Chamber conference room, Governors Square, 3:00 p.m.

10. Adjournment

The meeting adjourned at 5:45 p.m.

Minutes approved: _____ by:





Johann Moxam, President

Natalie Urquhart, Secretary

