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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 5th MEETING OF THE 2014 COUNCIL ON 14th MAY 2014, CHAMBER OF COMMERCE CONFERENCE ROOM, GOVERNORS SQUARE, WEST BAY, GRAND CAYMAN, CAYMAN ISLANDS.

ATTENDING:

- Mr. Johann Moxam, President and Chairman
- Mr. Barry Bodden, President-Elect
- Mr. Colin Reid, Vice President
- Mrs. Natalie Urquhart, Secretary (*left meeting at 4:45 p.m.*)
- Mr. Wayne Cowan, Treasurer
- Mr. Paul Byles, 1st Year Councilor
- Mr. Steve McIntosh, 1st Year Councilor
- Mrs. Lucy Tibbetts, 1st 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 3:10 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. Roger Ponce, Second Year, Councilor
Mr. Paul Pearson, Second Year, Councilor

3. Review/Approval of draft minutes from the 9th April 2014 Council meeting

Draft minutes were distributed to the Council prior to the meeting for review. A motion to accept without amendment was moved by Treasurer Mr. Cowen, seconded by Councilor Mrs. O'Neill and approved unanimously.

4. Action items arising from the Minutes

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

President Johann encouraged the Council to continue to approach businesses to join the Chamber. Secretary Mrs. Urquhart requested that a short Chamber summary was prepared to assist the Council.

ACTION ITEM: The CEO will prepare and distribute a membership information sheet that can be used for recruiting new members.

b. Employees' Handbook for Chamber members



Past Councilor Alan Brady plans to complete the copy for the employee handbook by the end of June.

ACTION ITEM: CEO is to contact Mr. Brady to obtain a copy of the content for the booklet.

c. Public policy process for Chamber positions on issues

The public policy process has been incorporated into the Council Operations Manual and has been distributed to the Council. An article was prepared and distributed to the membership in the e-newsletter advising of the new policy. Several media reports resulted from the newsletter.

Secretary Mrs. Urquhart expressed her concern about the recent letter to the Deputy Governor about the rationalisation of the public sector which was reported in the press. She was informed that the letter was based on past positions including a recent meeting with the Auditor General in January and the notes prepared at the meeting. She recommended that the Council needs to be careful when taking positions that are based on information received from outside agencies only. She recommended gathering additional information from other sources including the members who would be affected before a position is taken by the Council.

She referenced the example of the recommendation to amalgamate the cultural organisations as part of the rationalisation steps for the public sector reform. Amalgamating the cultural agencies may seem like a reasonable recommendation on the surface, but if more research had been done then it would have become clear that each of cultural organisation plays a unique role and bringing them together is unfeasible. The President thanked Secretary Urquhart for raising this matter and for providing additional information in writing and in person on this subject. He assured her that her views would be duly noted when addressing or taking any future position on this matter in the future.

d. Minimum Wage survey

Since the April Council meeting, President Johann wrote to the membership seeking more responses to the online survey. Between 10th March and 3rd April, 58 surveys were completed. By extending that period until 9th May, the survey responses increased to 94. The Council agreed that the major finding from the survey is the fact that 75.9% of the respondents reported that introducing a minimum wage of \$5.00 per hour would have minimal or no impact on their businesses and organisations. The Council also supported hosting some focus groups particularly with the sectors that were not widely represented in the survey. The





results of the survey and the Chamber's position paper will be shared at the focus sessions and with the representative who is confirmed by the Ministry as the Chamber representative on the National Minimum Wage Advisory Committee.

ACTION ITEM: The CEO will organise focus groups with the assistance of Councilor Paul Byles and will report the findings at an upcoming Council meeting.

e. Development Agency discussion paper

The President believed that the first step to be taken with this proposal submitted by Councilor McIntosh is to confirm that there is support among Chamber members and key stakeholders. He recommended inviting Chamber members and key stakeholders to a meeting that he would chair to discuss the concept. Councilor Mr. McIntosh agreed and recommended that Cayman Finance should be invited to the meeting. He believed that everyone should be regarded as equal partners; otherwise the initiative will struggle to receive support. As the largest membership based organisation that supports, promotes and protects the membership and the public welfare, the Chamber is the ideal organisation to take the leadership role to initiate the discussion and then to determine the level of support that will be necessary from each stakeholder who wishes to support the initiative. The President believed that with the membership's support the Chamber could lead the initiative as long as there is commitment from the membership and key stakeholders to support it.

ACTION ITEM: Potential stakeholders will be invited to a discussion meeting. The President will chair the meeting and will confirm if there is interest before proceeding further.

f. ICTA consultation document on local television content

The President wrote to the four member license holders seeking their views on the matter. One written submission and one presentation was received from LIME and Weststar, respectively. The submissions were distributed to the Council. It was decided that due to the differing member views on the matter that the Council would not respond to the consultation document or take a firm position on the matter.

5. CEO Report (5th April – 9th May 2014)

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

6. Advocacy Agenda Progress Report (4th April – 9th May 2014)

The report was distributed to the Council prior to the meeting. The report was reviewed and updates confirmed.





7. Invited Chamber representatives:

Gerry Kirkconnell, Port Authority Board (4 p.m.) – Port Authority Report

President Johann welcomed Mr. Kirkconnell to the meeting at 4 p.m. He thanked him for attending and sharing information with the Council about the work of the Port Authority. Considering the importance of the port to the business community generally, the President said the Council wished to receive more information about port operations and matters. That is what led to the changes to the reporting document that Mr. Kirkconnell is now being asked to complete. Similar reports are being requested from all Chamber representatives on various Government boards, Statutory Authorities and state owned businesses. Mr. Kirkconnell proceeded to provide the Council with verbal updates on several matters that were included in summary form in his written report.

Safehaven project (docking facility for north sound boat operators): This is a matter that has remained unresolved for 15-20 years. The Board is committed to working with the north sound tour operators to allow them to use the mooring facility for CI\$350 per month. Some of the boat owners have been occupying the land at the facility for years and have recently attempted to file for prescriptive rights. They had requested to use the facility for free but this is not possible since there are costs to be covered by the Port Authority. The boat owners agreed to the recent terms at some negotiation. This included a provision that they would be required to buy fuel from the port. The Port Board has worked hard to try to deliver the project economically. The Port Authority is trying to make the best of a challenging situation. Councilor McIntosh asked if the Board had considered a co-op arrangement. Mr. Kirkconnell said there is a co-op already but many of the boat owners are not members. The boat operators wanted a 25-year agreement for the use of the facility but a one year agreement was accepted. The boat owners wanted the security of knowing that they would not be kicked out of the facility. Mr. Kirkconnell said the project will operate at break even if the boat owners meet their obligations to purchase fuel from the port. The ultimate aim of the Port Authority would be to sell the facility so it can be privately managed.

George Town cruise berthing facility: Mr. Kirkconnell admitted that the Ministry is managing the project with limited involvement from the Port Authority Board. It is unclear when the Board will become involved in the project even though the Board has contributed \$1.8 million for the Environmental Impact Assessment (EIA). The Board had to defer its insurance arrangements. The Port owns a piece of land valued at \$3 million and customs wants to construct a building on it. He said the Board wants to receive some compensation for the land which can be used to cover the insurance payments. He said the port also needs to





purchase some additional land to expand the cargo distribution centre. Mr. Kirkconnell said he does have not any further information other than what was reported in the press about the company hired by Government to conduct the EIA. Councilor Byles asked if the role of the Port Authority had been decided for the cruise berthing facility project. Mr. Kirkconnell said the Port Authority will manage and run the facility. The Port Authority is recommending the construction of the piers and no further upland development. There are some proposals for the cruise lines to take control of the existing upland development rather than the Port Authority management. Mr. Kirkconnell said he needs direction from the Council to confirm if members support this position. The cruise lines would finance the pier completely if they are given the upland development control.

VP Reid asked if the EIA would be considered first before proceeding. Mr. Kirkconnell said he is not expecting any objection based from the results that have been released from previous studies. The new EIA is not just studying wave action, but also traffic flows on the land side including the development of new roads. It will be more than an environmental study.

Councilor Tibbetts asked if there was any further discussion about the floating pier concept that appeared in the newspaper. The Steering Committee confirmed that a floating pier could not stand up to Cayman's sea conditions. The picture in the press was of a pier in a protected fresh water location.

Secretary Urquhart asked about the timeline for the project. Mr. Kirkconnell said he expects the EIA to be completed by the end of this year.

President Johann said the current cruise ship passenger volumes appear to be adequately handled by the existing tendering service. Mr. Kirkconnell said if the berthing facility is not built the number of cruise arrivals will decrease to 1.1 million based on discussions with the cruise lines. The two Oasis class ships will not visit Cayman without a pier. Mr. Kirkconnell said the spending levels of passengers on the Oasis class vessels is greater. He said he personally objected to the need for the piers initially and his view has changed. He said two piers would be able to hold four cruise ships.

PE Bodden said there would still be a need to use tenders since more than four ships visit on occasion. Mr. Kirkconnell said that tendering would continue but at a reduced level. The tenders would also be used when the ships are positioned at Spotts due to bad weather.

President Moxam asked Mr. Kirkconnell to provide the Council with information about the proposed pier when it is received. Given the size of the financial commitment that is likely to be made, the Council would expect that its representative would be in the





room when negotiating an agreement that could be as high as CI\$250 million. Mr. Kirkconnell said he has had discussions with members of the Steering Committee and has asked why the Port Authority has not been included in the discussions.

Mr. Kirkconnell said the financial performance of the port is flat but is expected to improve with the additional cruise ship calls and import volumes. He said the Port Authority is expected to realise a small profit this financial year. He said there are no plans to improve or expand the cargo facility since it is considered adequate with the exception of purchasing some additional land for the cargo distribution centre. He said the Port Authority receives \$1 million in tenant fees at the Royal Watler Cruise Terminal.

President Johann thanked Mr. Kirkconnell for meeting with the Council and asked him to provide further information as he receives it regarding the cruise berthing plans.

Mr. Kirkconnell left the meeting at 4:45 p.m. (Councilor Urquhart also left the meeting at this point.)

ACTION ITEM: The Council agreed to develop a list of businesses in George Town who should be contacted to confirm their position about whether or not to allow the upland development at the port to be continued to be controlled by the Port Authority or by the cruise lines.

David Dibben, CEL Wholesale - (4:45 p.m.) – Importer and Customs matters

President Moxam welcomed Mr. Dibben to the meeting. Mr. Dibben is the Managing Director of CEL Wholesale, a manufacturer's representative for various consumer items including food items, soft drinks and tobacco products. His business supplies large and small businesses with these goods. Mr. Moxam said he invited Mr. Dibben to attend the meeting following a discussion and Mr. Dibben's subsequent report on the problem he has faced with illegal smuggling and avoidance of customs duties through erroneous reporting on invoices. Mr. Dibben said the black market is just exploding in Cayman. He has had to use the Trade Mark Law to get as much as \$60,000 worth of contraband products seized and taken off local store shelves. He said he has met with the Collector of Customs and she is now taking action. He has recommended spot checks confirming verification codes and working with licensed brokers. He provided the Council with some proposed solutions that he had already shared with some elected officials. He said there has to be better controls put in place and penalties for persons who violate the laws.

ACTION ITEM: The Council agreed to contact other member merchants for their views on this matter before taking an official position.

8. New Business





a. **3-8th June 2014 visit of Anne Knowles, Senior Specialist, Employers Affairs, International Labour Office in the Caribbean**

The President informed the Council that the CEO had been successful with confirming a visit of Anne Knowles, Senior Specialist, Employers Affairs at the International Labour Office in the Caribbean which is based in Trinidad. Mrs. Knowles has extensive experience working with employers' organisations internationally. She is prepared to provide information about minimum wage practices in the region and what she considers to be best practice. The CEO will prepare an itinerary for the trip which will include meetings with the Minister for Employment, Director of Labour and Pensions and the National Minimum Wage Advisory Committee which is expected to be announced in early June. A special BE INFORMED session is also being planned for her visit. Mrs. Knowles trip is being funded from the ILO office.

ACTION ITEM: CEO is to prepare the itinerary for Mrs. Knowles visit and to confirm meetings and presentations.

b. **Proposed Chamber Strategic Planning session, Saturday, 7th June at the Chamber**

The President informed the Council that the CEO had arranged for Mrs. Knowles to lead a strategic planning session during her visit. The CEO will confirm arrangements and had scheduled the meeting to take place on Saturday, 7th June at the Chamber from 9 a.m. until 2 p.m.

ACTION ITEM: CEO is to prepare the agenda for the strategic planning meeting.

9. **Next meeting:** Wednesday, 11th June 2014, Chamber conference room, Governors Square, 3:00 p.m.

10. **Adjournment**

The meeting adjourned at 5:45 p.m.

