



MARITIME AUTHORITY OF THE CAYMAN ISLANDS (MACI)

Minutes of Board of Directors' Meeting

Held on 1 July 2020 at 3:00 p.m.
27 Laguna Del Mar
Grand Cayman, Grand Cayman

Members Present:

Sherice Arman, Chairman
Ian Wight, Deputy Chairman
Charles Clifford, Director
Robb Maass, Director
Gene DaCosta, Director
John MacKenzie, Director
Stefano Rosina, Director

Ex – Officio Attendees:

Joel Walton, CEO
Lorna Washington, Secretary

Apologies:

Invited:

Kenrick Ebanks, Global Director, Commercial Service
Philip Barnes – IC – Finance/Accounting Services
Shaunna Noble – New board Secretary

1. CALL TO ORDER

The Meeting was called to order at 3:07 p.m.

The Chairperson welcomed everyone.

2. APOLOGIES

None

3. QUORUM

IT WAS RESOLVED that in accordance with Schedule I, Section 7 (9) of the Maritime Authority Law (2013 Revision), a quorum of a simple majority of the Members was present and that business would proceed.

IT WAS NOTED that in accordance with Section 17(1)(j) of the Public Authorities Law, the Chairperson granted approval for board members to attend the meeting via telephonic or electronic media.

4. REVIEW AND APPROVAL OF PREVIOUS MINUTES

IT WAS RESOLVED that the minutes of the meeting of the board held on 11 December 2019, be approved by the Board after the following amendments:

Under Members Present – “Rosini” changed to “Rosina”.
Item 3, paragraph 2 - “Rosini” changed to “Rosina”.
Item 3, paragraph 3 – “have” changed to “are”.

Move by Mr. Robb Maass and seconded by Mr. Stefano Rosina.

It was resolved that the minutes of the meeting of the board held on 15 January 2020, be approved by the Board after the following amendment:

Under Members Present – “Rosini” changed to “Rosina”.

Move by Mr. Robb Maass and seconded by Mr. Stefano Rosina.

5. UPDATES FROM PREVIOUS MINUTES

a. MACI Policy on Health Care in-Retirement Benefit – Mr. Kenrick Ebanks gave the presentation in relation to the MACI post-retirement health care liability and benefits.

IT WAS NOTED that the board requested that legal advice and actuarial advice be sought from Ritch and Connolly and Mercer respectively in order to make a determination about how post-retirement health care liability and benefits should be dealt with.

b. On 12 December 2019, a legal opinion from Ritch and Connolly was received and on 1 May 2020, the board received Mercer’s Actuarial Valuation Report as at 31 December 2019 for its Post-Retirement Healthcare Programme.

It was noted that MACI needed to determine the eligibility of different employee groups based on the advice received from Ritch and Connolly and Mercer and allow for inclusion in the Financial Statements as at 31 December 2019.

The management team of MACI presented a paper to the board with recommendations based on the advice from Ritch and Connolly and Mercer and the board considered the recommendations together with the advice from Ritch and Connolly and Mercer.

The employees were separated into three main groups based on the advice as follows:

Group 1: These employees should automatically qualify as they transitioned from CIG to MACI on 1 July 2005, so there is an implied obligation.

Group 2: These employees’ entitlement should also be given serious consideration as they were former civil servants, even though they joined MACI after 1 July 2005.

Group 3: There is no legal obligation to include these employees as they joined MACI from the private sector.

Therefore, the advice received and recommendations provided to the board was prepared using three Scenarios as follows:-

Scenario 1: Assumes Groups 1, 2 and 3 are all eligible for post-retirement benefits

Scenario 2: Assumes only Group 1 and 2 are eligible for post-retirement benefits

Scenario 3: Assumes only Group 1 is eligible for post-retirement benefits.

The consensus view and recommendation of management was that both Groups 1 and 2 joined MACI with the expectation that their CIG post-retirement health care benefits would continue.

The management recommended to the Board that Groups 1 and 2 be included in MACI’s Post-retirement Healthcare Insurance Programme, resulting in Scenario 2 being accepted for inclusion in the Financial Statements as at 31 December 2019.

It was further recommended by management that the Board gives consideration for inclusion of Group 3, provided they were employed with MACI on 1 January 2020 and remain employed for a minimum period of 10 consecutive years prior to retirement at age 60/65. This would require the board to consider a new policy being implemented for staff.

It was resolved that based on the advice received from Ritch and Connolly and Mercer and the recommendation made by MACI management, Scenario 2 be accepted, that only Groups 1 and 2 would be included in the MACI’s Post-retirement Healthcare Insurance Programme and it was further resolved that the board would consider a proposal for Group 3 to be included at a later date. The motion was moved by Mr. John McKenzie and seconded by Mr. Ian Wight. The Board noted that a proposal in relation to Group 3 should be considered again in about 3 months.

6. **NEW BUSINESS**

a. **Cayman Registry Performance, January-May 2020** – Mr. Kenrick Ebanks gave presentation. The Board noted this item.

b. **Current COVID-19 operations of MACI and plans for reopening** – the CEO gave the presentation. The UK staff has been repositioned to keep up with the work within the EU.

Management discussed that staff will be returning to the office starting on 20 July 2020, in three shifts, two weeks out of every 4 weeks. There will be a Director and Senior Manager on each shift. The exceptions are as follow:

- Persons 65 or older will continue to work remotely;
- Those who were already working remotely will continue to work remotely;
- Persons with underlying medical conditions will continue to work remotely.

It has not been finalized whether staff will work 7.5 hours per day. The work space will need to be reorganized and the GT office will need an alternative exist.

The Board noted this item.

c. **Potential Business Development, Events, Special Projects, Training, HR and Official Meetings Programme, January 2020 – December 31, 2020** – The business development programme is on hold due to the COVID-19 situation. This item was deferred.

d. **MACI Management Accounts (un-audited) January-April 2020** – This item was deferred.

e. **Approval of Annual Report and the accompanying Audited Financial Statements for period ended December 31, 2019** – The CEO gave the presentation. The CEO recognized Mr. Ebanks and Mr. Barnes for preparing the report. The Chairperson gave thanks for getting an unqualified opinion.

Board members have 10 days (10 July 2020) for any comments. Thereafter, any changes will be approved by the Board and a paper prepared for Cabinet.

It was resolved that the Annual Report be approved subject to any comments received.

f. **Appointment of Secretary to the Board** – It was noted that the current secretary to the board had served for many years and has now relocated to Florida. As a result, it was necessary to appoint a new secretary to the board. Following a search, the only candidate proposed was Shaunna Noble.

The CEO and Chairperson thanked outgoing Secretary, Lorna Washington, for her many years of excellent service.

It was resolved that Shaunna Noble be appointed as Secretary to the MACI Board with effect from the end of the meeting.

The CEO advised that there needs to be a review of the fees for Board members and the Secretary. It was noted that the Governance Committee would review the fees and make a recommendation to the Board.

g. **Ratification of Purchase Agreement and Ownership Agreement for the years 2020 and 2021 between the Government of the Cayman Islands and MACI** – The CEO stated that Government has approved the Budget and it was noted that the board needed to ratify the execution of the Purchase Agreement and Ownership Agreement for the years 2020 and 2021 between the Government of the Cayman Islands and MACI.

It was resolved that the entry into and execution of the Purchase Agreement and Ownership Agreement for the years 2020 and 2021 between the Government of the Cayman Islands and MACI be approved, confirmed and ratified. This item was moved by Mr. Robb Maass and seconded by Mr. Gene DaCosta.



h. Update on 2020 COLA – the CEO advised that this has not yet been approved by Government. The Paper is still with the Ministry. This item was noted by the Board.

7. OTHER BUSINESS

a. KPMG Staff Salary & Benefits Review – The CEO advised the board that the management had engaged KPMG to conduct a review of staff salaries and benefits. It was noted that the review is not just for staff salaries and benefits, but independent contractors also. The purpose of the review is to ensure that remuneration by MACI to staff and independent contractors can be justified based on independent recommendations and analysis, given that in most cases MACI staff and independent contractors perform very specific and in some cases highly technical, industry specific duties which cannot be done by untrained or unqualified persons. The report from KPMG is expected September/October 2020. When Management receives the report, a recommendation will be made to the Board, thereafter a Paper will be done for Cabinet’s consideration.

b. The Chairperson asked where is the registry in terms of digitalization? The CEO advised that Management will present a paper to the Board at its August 5, 2020 meeting. There have been more steps made on the safety and compliance side.

c. Mr. Kenrick Ebanks asked Board members to provide their bank details to the new Secretary for payment of attendance of meetings.

8. DATE OF NEXT MEETING

a. Wednesday, 5 August 2020

9. TERMINATION OF MEETING

The Meeting terminated at 4:44 p.m.

Sherice Arman
Chairman

Date